Stock market

Stock volatility expected this week
03/Apr/2017 Intellasia | VNS

Shares are expected to decline further this week as investors seek profits from a 10-year high, but the decline will not be heavy as foreign investments and first-quarter performances will boost investor confidence in listed companies.

Vietnam's benchmark VN Index on the HCM Stock Exchange edged down 0.2 per cent to finish Friday at 722.31 points. The major index gained total 0.7 per cent in the previous two sessions.

The HNX-Index on the Hanoi Stock Exchange lost 0.3 per cent to close Friday at 90.82 points. The northern market index retreated from a two-day increase of 0.6 per cent.

Friday's falls ended a sideway weekly move for the two local exchanges compared to the previous week's closing level of 722.14 points for the VN Index and 91.37 points for the HNX-Index.

Market trading liquidity declined from the previous week, with an average of more than 258.4 million shares being traded in each session, worth VND4.43 trillion (US$194.38 million).

The VN Index had mainly struggled to stay in the range of 715-720 points in March, according to Chau Thien Truc Quynh, head of the brokerage division at Viet Capital Securities Company.

"As the benchmark index met strong resistance at that range, the signal of short-term correction has appeared, and the stock market will decline in the next two or three weeks."

The short-term support level for the VN Index is 717-722 points, for the HNX-Index 90.5 point and the stock indices will test these levels in the first trading days of this week, she added.

However, the stock market is still an attractive channel for investors, Quynh said. At the end of the first quarter, the average trading value on the two local exchanges was VND3.56 trillion in each session, an increase of 27 per cent compared to last year's same period.

Stocks will correct on a technical basis in the next two weeks rather than declining sharply, said Phan Dung Khanh, a senior manager at Maybank Kim Eng Securities Company.

The stock market will continue to attract investment as macroeconomic conditions are positive, interest rates have been reduced and other assets like gold and foreign currencies become less attractive, he said.

Domestic and foreign investment has remained strong, spreading around all sectors in the market, Khanh added. Foreign investors last week recorded a net buy value of VND855 billion, 12 per cent lower than the previous week's figure.

In addition, listed companies, especially large-cap ones, have released their earnings reports for the first quarter, which have been better than expected and will boost investor confidence, he said.

According to analysts, the sectors that could be attractive to investors this week include steel, banks and construction and property firms.

Steel producers such as Hoa Phat Group (HPG) and Hoa Sen Group (HSG) will benefit from the latest decision of the industry and trade ministry regulating anti-dumping tax on imported steel products from China and South Korea. The new decision will take effect on April 13 and be valid in the next five years, promising to boost performance of local steelmakers.

In the banking sector, Sacombank (STB) will be the centre of attention over speculations on the bank's restructuring plan. Vietnam's property giant Nova Group has proposed to the central bank to purchase 20 per cent of Sacombank's capital to participate in the restructuring of the HCM City-based bank.

http://bizhub.vn/markets/stock-volatility-expected-this-week_285212.html

Shares drop off after 10-year high
03/Apr/2017 Intellasia | VNS

Shares declined unexpectedly on Friday on the two exchanges, beating analyst forecasts of a continued rise after the VN Index surpassed the previous ten-year high.

On the HCM Stock Exchange, the VN Index sank for the first time in three days, edging down 0.2 per cent to close at 722.3 points. The southern index increased 0.7 per cent in the last two trades.

On the Hanoi Stock Exchange, the HNX-Index was down 0.3 per cent to end at 90.8 points. The northern index gained 0.6 per cent in the previous two sessions.

Banks and food and beverage companies, which were the main driving force of the market in the previous sessions, lost their steam.
Except Sacombank (STB) which climbed 1.8 per cent and Nam Viet Bank (NVB) closed unchanged, seven other listed lenders slumped, including Vietcombank (VCB), Vietinbank (CTG), BIDV (BID), Military Bank (MBB) and Asia Commercial Bank (ACB) which dropped around 1 per cent each. Prices of bank shares have climbed around 10 per cent in the last two weeks, driving investors to capitalise on short-term profits.

Credit growth in the first three months hit a 6-year high at 2.81 per cent, according to a report by the general Statistical Office. This data indicated positive capital absorption of enterprises early in the year, thereby raising the interest income of banks.

In the food-drink sector, only Masan Group (MSN) maintained a modest rise of 1.2 per cent, other big companies such as Vinamilk (VNM), Sabeco (SAB) and Habeco (BHN) decreased 0.5-3.5 per cent.

"The market is still facing a high risk of short-term decline," said Tran Duc Anh, a stock analyst at Bao Viet Securities Co.

In a market report yesterday, Anh said most stocks showed a signal of forming a short-term peak in the previous session and the index's rally was mostly backed up by large-cap stocks.

"Investors should take profit when the index surpasses a peak," he said.

On the positive side, steel stocks gained as investors speculated on the information that the Ministry of Industry and Trade has imposed an anti-dumping tax on imported coated steel from China and South Korea.

This decision is expected to help local steel manufacturers boost sales as well as profits. The biggest listed steel firm Hoa Phat Group (HPG) increased 2 per cent. Nam Kim Steel (NKG) was up 3.2 per cent while Hoa Sen Group (HSG) and Viet-Italy Steel (VIS) rose by less than 1 per cent.

Total liquidity remained high at over 256 million shares worth VND4.3 trillion (US$188.4 million) being traded in the two markets.

http://bizhub.vn/markets/shares-drop-off-after-10-year-high_285208.html

VN Index narrows gains, steel stocks stay positive

The VN Index on the HCM Stock Exchange was up slightly on Friday morning, driven by steel producers and some large-cap stocks.

The benchmark index inched up 0.2 per cent to close at 724.91 points. It gained 0.5 per cent on Thursday.

More than 109 million shares were traded on the major bourse, worth VND1.9 trillion (US$83.53 million).

Steel stocks such as Hoa Phat Group (HPG), Hoa Sen Group (HSG) and Nam Kim Steel (NKG) lifted the southern bourse thanks to information related to anti-dumping taxation on steel imports.

The new anti-dumping tax was imposed by the Ministry of Industry and Trade on Thursday on imported steel products from China and South Korea.

HPG ended up 1.5 per cent on Friday morning, HSG increased by 0.5 per cent and NKG rose 2.9 per cent.

However, shares on the southern bourse narrowed their gains at the end of the morning session as other sectors performed below expectation.

Banks and financial companies fell as investors sought profits after the recent good run. Energy stocks were mixed, with PetroVietnam Drilling and Well Services (PVD) and PetroVietnam Mud Drilling Corp (PVC) in negative territory following the decline of global crude prices.

On the Hanoi Stock Exchange, the HNX Index fell 0.3 per cent to end at 90.87 points. The northern market index gained 0.5 per cent on Thursday.

Nearly 23.5 million shares were exchanged on Hanoi's market, worth VND286.68 billion.


Only VN30-Index gains ground

VN Index closes just above 220-point mark on March 31 after hitting 226 points.

The VN30-Index was the only major index on Vietnam's stock market to increase on March 31.

On HSX, the VN Index fell 1.55 points (0.21 per cent) while the VN30-Index increased 0.72 points (0.1 per cent), the VNMid-Index 0.29 points (0.03 per cent), and the VNSml-Index 0.3 points (0.04 per cent).

On HNX, the HNX-Index lost 0.3 points (0.33 per cent), the HNX30-Index 1.39 points (0.83 per cent), and the VNALL-Index down 0.84 points (0.08 per cent).

http://bizhub.vn/markets/vn-index-gains-ground_285198.html
Liquidity on HSX reached VND3.3 trillion ($145 million), more or less the same as yesterday, and on HNX was VND454 billion ($20 million), down 5 per cent.

The VN Index opened at 723.9 points and reached 726.6 points early in the session then fell to 724.4 points mid-session. It then fluctuated before closing the morning at 724.9 points. In the afternoon it reached 725.5 points by mid-session then fell sharply to close the day at 722.31 points.

MSN was the only food and beverage large cap to increase, by 1.2 per cent. KDC and SBT closed at their opening price and BHN lost 3.5 per cent, SAB 1 per cent, and VNM 0.5 per cent.

STB was alone in banking in closing higher, by 1.8 per cent, while CTG shed 1.4 per cent, MBB and EIB 1.3 per cent, BID 1.1 per cent, and VCB 0.8 per cent.

In energy, PGD and GAS increased 1.3 per cent and 1.1 per cent, respectively, and CNG lost 2.1 per cent.

In real estate, NVL and FLC fell 0.7 per cent and 0.4 per cent, respectively, and KBC fell 2.9 per cent, VIC 1 per cent, and KDH and DXG 0.2 per cent.

Among other large caps on HSX, HPG, ROS and VJC increased 2 per cent, 1.2 per cent, and 0.1 per cent, respectively, and BVH and MWG fell 1.8 per cent and 0.1 per cent, respectively.

ROS saw the highest liquidity on HSX, with VND556 billion ($24.4 million), followed by FLC with VND371 billion ($16.3 million) and VNM with VND199 billion ($8.7 million).

On HNX, VCS and NTP increased 1.1 per cent and 0.1 per cent, respectively, PVS closed at its opening price, and SHB lost 3.4 per cent, PVI 2.4 per cent, HUT 2.1 per cent, ACB 0.8 per cent, and VCG and PHP 0.6 per cent.

Foreign investors net bought on HSX by VND262 billion ($11.5 million) and net sold on HNX by VND21 billion ($922,950).

Asian markets lower as quarter draws to a close

Asian markets sank on Friday (March 31) as the quarter drew to a close, with dealers ignoring better-than-expected US economic growth data, while South Africa's rand plunged after President Jacob Zuma sacked his respected finance minister.

Wall Street cheered news that growth hit 2.1 per cent in the last three months of 2016, which was 0.2 points better than first thought, with crucial consumer spending seeing a strong increase.

The result provided some much-needed support to markets after President Donald Trump's failure last week to push through his healthcare bill stoked fears he would have trouble with his promised tax-cut and spending promises - a key driver of a global rally since November.

"It's only a small upgrade but the marginal increase... seemed to have an outsized impact on sentiment," said Greg McKenna, chief market strategist at AxiTrader.

"That and the fact that the consumption component was upgraded seem to have been the key to reinforcing the strength of the US economy. We haven't really seen any US data printing worse than expected for some months now. But for the moment the economy is supporting stocks in the US."

But while Wall Street enjoyed advances, Asian investors were not so impressed and positioned themselves as they closed their books before the end of the quarter.

Tokyo ended 0.8 per cent lower as the yen reversed early losses against the dollar, while Hong Kong also slipped 0.8 per cent.

Seoul closed 0.2 per cent down and Sydney was off 0.5 per cent, while Taipei, Manila, Jakarta and Bangkok were all off.

Shanghai edged up 0.4 per cent, rebounding from early losses, following a forecast-beating reading on Chinese factory activity.

In early European trade London fell 0.4 per cent, Frankfurt shed 0.3 per cent and Paris eased 0.2 per cent.

"The market continues to be devoid of a clear direction," Yoshihiro Okumura, general manager at Chibagin Asset Management, told Bloomberg News. "It's up one day, down the other on overseas factors. Economic data, hopes over corporate earnings is a plus but politics remains a minus factor, which will likely be the case for the new quarter."

RAND FALL

The dollar surged five percent against the rand after Zuma sacked finance minister Pravin Gordhan, who had enjoyed the support of many international investors and had campaigned for budget discipline.
He was also widely admired by ordinary South Africans and veterans of the anti-apartheid struggle and there are fears his removal - along with several top cabinet members - could precipitate a split in the ruling African National Congress, the party of Nelson Mandela.

The decision comes as the government struggles to get a grip on the once-booming economy of South Africa, one of the continent's biggest and part of the so-called BRICS grouping that includes China.

The South African currency has plunged almost eight percent since Monday when fears were first sparked by Zuma ordering Gordhan to return to the country from an overseas trip.

"Market reaction to the cabinet reshuffle and what looks to have been a clean sweep of the Treasury top team is going to be a significant negative," Razia Khan, chief Africa economist at Standard Chartered, told Bloomberg News.

"Given past volatility in the rand when a cabinet reshuffle was even suggested, the expectation is that the impact may be more pronounced now."

Oil prices dipped in Asia but held above $50 a barrel after Thursday's gains of more than one percent, which came after Kuwait suggested agreed output cuts by OPEC and Russia could be pushed past a June expiry.

"It looks like they will potentially extend the cuts," Mark Watkins, at US Bank, said. "Even though there's been scepticism about OPEC and its partners, the signs are pointing toward their success."

Investors will be keeping an eye on next week's meeting between Chinese President Xi Jinping and Trump in Florida hoping for a clearer idea about the outlook for global trade after the US leader's protectionist rhetoric.

- Key figures at 0800 GMT -
  Tokyo - Nikkei 225: DOWN 0.8 per cent at 18,909.26 (close)
  Hong Kong - Hang Seng: DOWN 0.8 per cent at 24,111.59 (close)
  Shanghai - Composite: UP 0.4 per cent at 3,222.51 (close)
  London - FTSE 100: DOWN 0.4 per cent at 7,340.44
  euro/dollar: DOWN at $1.0677 from $1.0679
  Pound/dollar: UP at $1.2456 from $1.2467
  Dollar/yen: DOWN at JPY 111.82 from JPY 111.86
  Oil - West Texas Intermediate: DOWN 21 cents at $50.14 per barrel
  Oil - Brent North Sea: DOWN 32 cents at $52.64
  New York - Dow: UP 0.3 per cent at 20,728.49 (close)


Securities investors pour more money into stock market

03/Apr/2017 Intellasia | DTI News

Both the Hanoi and HCM City bourses witnessed exciting trading sessions last week with the VN Index of the HCM City Stock Exchange climbing to 722.14 points at the closing session, while the HNX Index of the Hanoi Stock Exchange rose to 91.37 points.

The increasingly high trading volume in recent trading sessions has attracted investors. The total transaction value of both the Hanoi and HCM City trading floors was VND5.244 trillion, an increase of 50 percent compared with the same time last year.

Reports by securities companies show that in the first three months of the year, the average trading value of the two bourses was VND4.5 trillion in each session.

While other investment channels were quiet, the stock market is bustling. Phan Dung Khanh, consultancy director of Maybank Kim Eng Securities, commented that the amount of money and liquidity in the stock market last week was the highest in history.

Two weeks before that, the volume of shares put into transactions for the first time in history exceeded the 1 billion-unit threshold.

Khanh said investors have poured more money into the market because the international stock markets, especially the US market, have witnessed impressive rises since the day Donald Trump won the US presidency.

Meanwhile, they have been impressed by the appearance of valuable shares on the bourse such as SAB, NVL, HVN and VJC.

Le Vuong Hung from Rong Viet Securities, said the VN Index has repeatedly climbed to new peaks of 680 points and 720 points recently, creating more interest from investors.
The investors are also encouraged by the fact that foreign investors, after a period of selling more than buying in late 2016 and early 2017, now tend to buy more shares. According to Hung, foreign investors' net purchases were over VND1 trillion last week. Analysts once warned that the US FED's move to raise the prime interest rate may affect the US and the global stock markets. However, this has not happened. Vietnamese investors see positive signs in the US stock market since the new US president took the office. Meanwhile, the business performance of listed companies is encouraging. Hung said securities derivatives would be launched in the market in some months. Vietnam is making every effort to improve the stock market to obtain international recognition to move from a frontier to emerging market. The changes would make the Vietnamese market even more attractive.


Saigontourist to fully divest from Jetstar Pacific
03/Apr/2017 Intellasia | VN Economic Times
Shares to be offered to existing shareholders at just $0.66 per share, or 14 percent of face value. The Saigon Tourist Corporation (Saigontourist) has secured approval from the Ministry of Finance to sell 363,775 shares in Jetstar Pacific to existing shareholders in the second quarter of this year. Jetstar Pacific has charter capital of VND3,522 billion ($154.8 million), or more than 32 million shares with a par value of VND110,000 ($4.8) per share, according to the shareholder register for November 7, 2016.
Shares to be offered by Saigontourist account for 1.14 per cent of charter capital and will have a starting price of just VND15,000 ($0.66) per share, or 14 per cent of the face value.
If the auction is successful, Saigontourist will receive some VND5.5 billion ($241,700). If existing shareholders do not buy all shares, there will be a public bid.
The current shareholding structure at Jetstar Pacific has Vietnam Airlines as the largest shareholder, with 22.04 million shares or 68.85 per cent, together with Qantas Asia Investment Company (Singapore) Pte. Ltd with 9.6 million shares or 30 per cent, and former CEO, now CEO of Air Mekong, Luong Hoai Nam, with 4,490 shares, or 0.014 per cent.
Vietnam Airlines became the largest shareholder in Jetstar Pacific in 2012, after the former racked up years of losses. Jetstar Pacific then updated its fleet, moving from older Boeing 737 aircraft to Airbus A320 aircraft. It first announced its earnings in 2015.
As at September 30, 2016, revenue in the first nine months of last year stood at nearly VND3.96 trillion ($174 million) and after-tax losses at VND346 billion ($15.2 million), with a negative earnings-per-share (EPS) of VND10,813 ($0.47). Recent dividends are not available.
Total assets are VND3.753 trillion ($164.9 million). Liabilities account for 90 per cent, or VND3.34 trillion ($146.8 million), of which nearly VND1.8 trillion ($79.1 million) is short-term debt and finance leases. Accumulated losses have reached 3.69 trillion ($162.2 million).

Petrolimex promises HOSE price no lower than $1.7
03/Apr/2017 Intellasia | VIR
Petrolimex promised that its stock price will not be lower than VND39,000 ($1.7) per share. Besides, it will not divest entirely from its insurance, finance, and banking arms.
On March 29, 2017, at the meeting with investors before listing on the HCM City Stock Exchange (HOSE), despite not mentioning the exact price, Petrolimex's representative said that the firm will try to ensure investors' benefits.
Bui Ngoc Bao, chair of Petrolimex, said that after being listed on HOSE, the firm's value will depend on the market. "As the firm's managers, we will try to ensure our investors' benefits, and the listed price will not be lower than the price offered for our strategic shareholder JX Nippon Oil & Energy Corporation (JX NOE)," said Bao and added that the initial offering price will be publicised after the announcement of the exact listing day.
"The reference price on the first trading session of Petrolimex will not be lower than the price of the stocks sold to JX NOE," Bao said.
Previously, in 2016, Petrolimex issued 103.5 million shares to JX NOE in a private placement at the unit price of VND39.017 ($1.7).
Bao said that dividends for 2016 will be distributed after the listing in April 2017. At the next shareholders' meeting in April 25, Petrolimex's board of directors will submit to its shareholders a reasonable dividend distribution plan, offering an amount not lower than the dividend of 16 per cent in 2015.

When assessing the advantages as well as risks of Petrolimex's core business, Bao said, "We have prepared for the fierce competition and potential risks in the petroleum industry. We are ready for a competitive market, including the participation of foreign investors in this sector."

The leader of Petrolimex was confident that with its reputation and support from customers, as well as some changes to promote a more transparent corporate governance, Petrolimex will hold 48 to 50 per cent of the domestic market in the future.

Regarding the divestment from the insurance, finance, and banking lines, Bao said that the move is inevitable as it is the state's requirement for firms with huge state capital like Petrolimex.

"The government allowed Petrolimex to gradually decrease its stakes in insurance, finance, and banking, but it does not have to completely divest. However, the firm will minimise the investment in high-risk fields, and focus on the retail sector, which has already been Petrolimex's strength," Bao said.

Regarding Petrolimex's activities in foreign markets, Bao said that the firm intends to maintain activities in some of its traditional markets, such as Laos and Cambodia. In particular, after purchasing a US firm in Laos, Petrolimex has moved to the third rank, just behind two native companies. It will try to maintain its top position in Laos in the long term.

Additionally, Cambodia is also considered a potential market in the long term. Petrolimex Singapore will be developed strongly and Petrolimex will try to ensure its position in the regional market.

Established in 1956, Petrolimex is now the oldest and biggest petroleum importer and distributor in Vietnam, with approximately 50 per cent of market share. The firm had an IPO in 2011 with a chartered capital of VND10.7 trillion ($468 million). Then, Petrolimex sold about 103.5 million shares, an equivalent of 10 per cent of its stakes, to strategic investor JX NOE, the biggest Japanese petroleum retailer with 43 per cent of market share in Japan.

Petrolimex purchased about VND155 million of treasury stocks in 2016. The company's current chartered capital is VND12.939 trillion ($567 million), which is equivalent to 1.29 billion shares. The Ministry of Industry and Trade is the biggest shareholder with 981.7 million shares (75.87 per cent of the total stakes). JX NOE, the strategic shareholder, holds 103.5 million shares (eight per cent) and the stocks are limited from being transferred within five years of purchasing. Treasury stocks account for 11.98 per cent.

Petrolimex plans to officially list its shares on HOSE in April 2017, six years after its IPO.

In 2016, Petrolimex the parent company reported a revenue of VND81.755 trillion ($3.58 billion) and a net profit of VND3.278 trillion ($144 million), a 59.5 per cent increase compared to 2015. This was an all-time record net profit for Petrolimex.

Bao said these positive results derive from two factors. Firstly, Petrolimex's imports are from Korea. Thanks to the Free Trade Agreement between Vietnam and Korea taking effect since September 2016, the import duty on petroleum from Korea is lower than for other countries. Thus, Petrolimex managed to cut down on expenses.

Second, Petrolimex could further reduce its expenses because the foreign exchange rate fluctuations helped the company save VND589 billion ($25.8 million). The interest expenses also decreased by VND69 billion ($3 million), due to the stocks issued to JX NOE and the decreasing liabilities resulting from the declining price of imported petroleum.

In 2016, Petrolimex's consolidated revenue was VND123.098 trillion ($5.39 billion) and net profit was VND5.165 trillion ($226 million), which was also the highest net profit since its establishment.

Notably, on the balance sheet, Petrolimex's short term debts decreased from VND12.560 trillion ($550 million) in 2015 to VND6.775 trillion ($297 million) in 2016. Following the decreasing debts, its liabilities/owners' equity ratio also decreased from 0.96 to 0.42.

http://www.vir.com.vn/petrolimex-promises-hose-price-no-lower-than-17.html

FPT looks to sell trading and retail units in 2017
03/Apr/2017 Intellasia | VNS

FPT Corporation may complete its divestment from FPT Trading and FPT Retail sub-units in 2017, officials said at the company's annual shareholder meeting yesterday.
The divestment of the two subsidiaries is a must, according to FPT chair Truong Gia Binh, as FPT targets to be a pure ICT group with rapid and sustainable growth, while many investors have expected the group to part with the trading and retail units.

The group's trading and retail units recorded a negative growth rate with its revenue and pre-tax profit falling 9 per cent and 25 per cent to VND23 trillion (US$1 billion) and VND544 billion, respectively.

The reason for the decline in FPT's trading and retail segment mainly came from the fall of cellphone distribution business. Distributing iPhone products brought FPT a yearly profit of VND300 billion between 2013 and 2015. In 2016, profit from iPhone distribution fell 90 per cent to only VND34 billion.

The US-based tech giant Apple changed its distribution policy for Vietnam's market by allowing local retailers such as Mobile World to directly import iPhone models.

In 2016, Microsoft, another technology company, eliminated its Lumia smartphones and relevant services, forcing FPT to cut prices for Lumia products and reduce its stockpiles of those products.

"The company will not hold the controlling stakes in the two subsidiaries after the divestments are complete," Binh said.

"The income from the divestment deal will be recorded in FPT's earnings report after 2017," he added.

FPT planned to offload parts of its ownership in FPT Trading and FPT Retail as a whole in 2016, however, the plan did not work out as the group failed to negotiate with buyers.

Binh said that the company was amending the divestment plan. The new plan would separate the sale of FPT Trading from that of FPT Retail and had drawn attention from some investors.

Regarding the future of FPT Telecom, Binh said that the group might increase its stake in FPT Telecom in case the government sells its stake in the company but the future remains uncertain.

At the annual shareholder meeting, shareholders approved the group's plan to pay a 20 per cent dividend in cash for 2016's performance. Half of the dividend was paid in August 2016, the other will be paid in the second quarter of 2017.

Shareholders also approved the plan to pay a 20 per cent dividend in cash for 2017's performance.

In 2016, FPT recorded a combined revenue of VND40.54 trillion, equal to the previous year's number, and a pre-tax profit of VND3 trillion, a yearly increase of 6 per cent.

For 2017, FPT targets combined revenue of VND46.6 trillion, a yearly increase of 15 per cent from 2016, and pre-tax profit of VND3.4 trillion, a year-on-year rise of 13 per cent.

In 2017, FPT will focus its resources on the telecommunication business and penetrating the 4G market. FPT is listed on the HCM Stock Exchange under code FPT. The company's shares yesterday went up 0.4 per cent to close at VND47,300 per share.


KIDO targets 50pct ice cream market share by 2020

03/Apr/2017 Intellasia | VN Economic Times

Target announced at group's roadshow in Hanoi on March 31 introducing investment opportunities.

The KIDO Frozen Food JSC (KDF) under the KIDO Group Corporation (KDC) targets holding a 50 per cent share of the ice cream market in Vietnam by 2020, general director Tran Quoc Nguyen said at the group's roadshow in Hanoi on March 31 introducing investment opportunities.

After its April IPO, it went on, it will focus on expanding distribution channels for frozen food, with a goal of 150,000 points of sale by 2020. "KDF currently has more than 70,000 points of sale in the country and we plan to increase this by 10,000 to 20,000 each year," he said and added that the company targets 2017 revenue to total VND1.8 trillion ($79.2 million).

While valued at VND65,000 ($2.8) per share, KDF decided the starting price at its IPO would be VND52,000 ($2.3). Nguyen said the goal of KDF is to create as many opportunities for investors and potential partners as possible. "Based on our leading position in the frozen food market, we believe in creating value for our shareholders," he said.

Post-IPO, KDF plans to conduct merger and acquisitions (M&As) with dairy and frozen food companies that have good nationwide distribution systems. It will trade on the UPCoM market and will soon list on the HCM City Stock Exchange (HoSE), but gave no further details about when.

KDC announced the sale of 35 per cent of its frozen food subsidiary earlier this month. The group's deputy Chair and CEO Tran Le Nguyen told a conference introducing investment opportunities in KDF that 11.2 million shares, or 20 per cent, will be offered in April at a starting price of VND52,000 ($2.3) per share. The remaining 15 per cent will then be offered to partners and employees.
Individual investors and domestic and foreign investors are allowed to purchase the shares. The number available to individuals is a minimum of 3,000 shares and a maximum of 100,000, while for organisations it is 10,000 and 500,000, respectively. Registrations are being taken from March 31 to April 12.

The frozen food business brought it substantial profits last year. According to a report from the Ho Chi Minh Securities Corporation (HSC), net revenue in 2016 reached VND1.4 trillion ($61.6 million), up 34.8 per cent against 2015. After-tax profit was VND143 billion ($6.3 million), up 85 per cent and accounting for 63 per cent of KDC's profit.

KDC now owns a frozen food distribution network with over 70,000 points of sale throughout the country. KDC's net revenue stood at VND2.2 trillion ($96.8 million) last year, down 28.7 per cent against 2015. Gross profit was VND880 billion ($38.72 million), thanks to consolidating the profits of the Tuong An Vegetable Oil Company (TAC).


VN Index struggles to rise, banks hit
04/Apr/2017 Intellasia | VNS

Vietnam's benchmark VN Index struggled to rise on Monday morning as most of the leading sectors were hit by investor selling.

The southern market index inched up 0.2 per cent to close at 723.68 points. It had dropped 0.2 per cent on Friday.

More than 104 million shares were traded on the southern bourse, worth VND2.13 trillion (US$93.65 million).

Dairy producer Vinamilk (VNM), brewer Sabeco (SAB), Faros Construction Corp (ROS) and brokerage firms HCM City Securities Corp (HCM) and Sai Gon Securities Inc (SSI) lifted the southern bourse. VNM and SAB edged up 0.5 per cent each, ROS gained 0.9 per cent, HCM advanced 2.8 per cent and SSI increased by one per cent.

In the banking-finance sector, only Eximbank (EIB), Sacombank (STB) and BIDV Insurance Corp (BIC) made gains. STB surged seven per cent on speculation that property developer Nova Group has proposed that the central bank buy 20 per cent stake in Sacombank.

Others such as BIDV (BID), Vietinbank (CTG), Bao Viet Holdings (BVH) and Bao Minh Insurance Corp (BMI) declined.

Energy stocks, including PetroVietnam Drilling and Well Services (PVD), were negative following the decline of oil prices.

On the Hanoi Stock Exchange, the HNX Index fell 0.4 per cent to close at 90.49 points. It declined by 0.3 per cent on Friday.

More than 20.8 million shares were traded on the northern bourse, worth VND259.6 billion.

Shares remain close to 10-year high
04/Apr/2017 Intellasia | VNA

Shares closed almost flat on the two local exchanges on april 3 as strong investor selling hit large-cap stocks after the market reached a 10-year high last week.

The benchmark VN Index on the HCM Stock Exchange closed at 722.38 points, nearly unchanged from a closing level of 722.31 points on March 31.

The HNX Index on the Hanoi Stock Exchange inched up 0.1 percent to end at 92.92 points. The northern market index fell 0.3 percent.

Market trading liquidity remained positive compared to the previous session, with more than 226 million shares traded, worth 4.43 trillion VND (197.2 million USD).

Stocks that had pushed the market up in the previous weeks ended in negative territory, such as Vietcombank (VCB), Bank for Investment and Development of Vietnam (BID), Vietinbank (CTG), Bao Viet Holdings (BVH) and Bao Minh Insurance Corp (BMI).

VCB fell 1.4 percent, BID lost 2.3 percent, CTG edged down 0.6 percent, BVH dropped 0.8 percent and BMI was down 0.4 percent.

Energy companies saw their share values decrease on pressure from profit-taking and volatile crude prices.

PetroVietnam Gas (GAS), PetroVietnam Drilling and Well Services (PVD) and PetroVietnam Technical Services (PVS) declined by between 0.5 percent and 1.7 percent to drive the energy sector down.
Meanwhile, foreign investors recorded a net buy value of 86.7 billion VND, a nearly 40 percent decrease from the March 31 figure of 143.85 billion VND.

On the positive side, there were good performances by some stocks that supported the market such as Sacombank (STB), brewer Sabeco (SAB), Asia Commercial Bank (ACB), Sai Gon Securities Inc (SSI) and HCM City Securities Corp (HCM).

STB surged 7 percent, hitting its daily trading limit, on speculations that property developer Nova Group has proposed the central bank to buy a 20 percent stake of Sacombank in an attempt to take part in the bank's restructuring process.

SAB inched up 0.2 percent. Bloomberg on March 31 reported the Philippines' largest brewer San Miguel may bid for ownership in Sabeco.

"The first trading session of April has extended the market's downward trend from last week after the VN Index failed to achieve the level of 725 points," BIDV Securities Corp (BSC) said in its report.

The market would move sideways in the next sessions with support from food and beverage firms, steel makers and construction companies, BSC said.

http://en.vietnamplus.vn/shares-remain-close-to-10year-high/109716.vnp

Only HNX30-Index falls

04/Apr/2017 Intellasia | VN Economic Times

The HNX30-Index was the only major index on Vietnam's stock market to close lower on April 3.

On HSX, the VN Index increased 0.07 points (0.01 per cent), the VN30-Index 3.51 points (0.51 per cent), the VNMid-Index 4.81 points (0.53 per cent), and the VNSm1-Index 1.09 points (0.13 per cent).

On HNX, the HNX-Index gained 0.1 points (0.11 per cent) while the HNX30-Index lost 0.43 points (0.26 per cent). The UPCoM index gained 0.1 points (0.18 per cent) and the VNALL-Index 4.48 points (0.43 per cent).

Liquidity on HSX reached VND3.7 trillion ($162.7 million), 12 per cent higher than last Friday, and on HNX was VND469 billion ($20.6 million), up 4 per cent.

The VN Index opened at 722.31 points and quickly reached its peak of the day of 724.4 points then eased to 722 points before edging upwards to close the morning at 723.7 points. In the afternoon it fluctuated and hit its bottom of the day at 721.6 points mid-session then recovered to 723.6 points late on before easing to close the day at 722.38 points.

In food and beverages, MSN increased 1.81 points, SBT 0.8 per cent, VNM 0.7 per cent, and SAB 0.2 per cent. BHN and KDC lost 5.1 per cent and 2.4 per cent, respectively.

In banking, STB hit its ceiling in rising 6.99 per cent, while EIB gained 1.7 per cent and MBB 0.7 per cent. BID lost 2.3 per cent, VCB 1.4 per cent, and CTG 0.6 per cent.

In energy, CNG increased 0.3 per cent while GAS and PGD fell 0.6 per cent and 0.3 per cent, respectively.

In real estate, FLC increased 2.2 per cent, KDH 1 per cent, and NVL 0.4 per cent. VIC and KBC lost 0.7 per cent and 0.3 per cent, respectively.

Among other large caps on HSX, HPG and ROS increased 4.6 per cent and 1.3 per cent, respectively, while VIC and MWG shed 1.8 per cent and 0.5 per cent, respectively.

ROS saw the highest liquidity on HSX, with VND873 billion ($38.4 million), followed by STB with VND219 billion ($9.6 million), FLC with VND141 billion ($6.2 million), and VNM with VND115 billion ($5 million).

On HNX, ACB and SHB increased 2 per cent and 1.8 per cent, respectively, while PVI lost 7.2 per cent, NTP 3.5 per cent, VCS 1.8 per cent, and PVS 0.6 per cent.

Foreign investors net bought on HSX by VND63 billion ($2.7 million) and on HNX by VND15 billion ($659,850).

http://vneconomictimes.com/article/banking-finance/only-hnx30-index-falls

Dividend payment schedule of listed businesses during April 3-7

04/Apr/2017 Intellasia | Vneconomy

* On April 3, 2017, Additives and Petroleum Products JSC (coded APP) advanced the first round 2016 dividend in cash at five percent (or 500 dong per share).

* On April 3, 2017, Ha Do Group JSC (coded HDG) advanced dividend in cash based on 2016 business result at 10 percent (or 1,000 dong per share).

* On April 3, 2017, Hanoi Education Development and Investment JSC (coded EID) advanced 2016 dividend in cash at 12 percent (or 1,200 dong per share).

* On April 3, 2017, VTC Telecommunications JSC (coded VTC) made dividend payment in cash at eight percent (or 800 dong per share) including 2010 dividend at six percent and 2016 dividend at two percent.

* On April 4, Binh Dinh Minerals JSC (coded BMC) makes the second round 2015 dividend payment in cash at four percent (or 400 dong per share).

* On April 4, 2017, Mechanics Construction and Foodstuff JSC (coded MCF) advances dividend in cash at 11.44 percent (or 1,144 dong per share).

* On April 4, 2017, An Phat Plastic and Green Environment JSC (coded AAA) makes the second round 2016 dividend payment in cash at 10 percent (or 1,000 dong per share).

* Song Da 10 JSC (coded SDT) announces to adjust 2015 dividend payment in cash (the record date was November 10, 2016) to April 4, 2017 instead of December 27, 2016 as the capital collection was behind the schedule, making it impossible for the company to balance money to make the timely payment.

* On April 5, 2017, Hai Phong Electricity Water Machine Assembly JSC (coded DNC) advances the second round 2016 dividend in cash at 10 percent (or 1,000 dong per share).

* On April 6, 2017, the Southern Battery JSC (coded PAC) makes the second round 2016 dividend payment in cash at five percent (or 500 dong per share).

Experts forecast market correction this week

04/Apr/2017 Intellasia | The Saigon Times

Securities experts expect the local market will enter a correction phase as stocks seesawed strongly around the strong resistance level of 720 points last week.

Chau Thien True Quynh, head of the brokerage department of Viet Capital Securities Company (VCSC), said the technical signs suggest a positive outlook in near term. The VN Index is now supported in the range of 717 and 722 points, the VN30 Index from 685 to 690 points and the HNX-Index at 90.5 points. The indexes are likely to test these levels early this week.

Meanwhile, the VN Index just ended March with a strong seesaw around the medium-term resistance level of 720 points, pushing up turnover on the HCM City market.

"The prolonged seesaw around the strong resistance level coupled with turnaround warning signs in recent sessions leads us to believe in a correction phase lasting two to three weeks in April," Quynh was quoted by Dau Tu Chung Khoan newspaper as saying.

However, data compiled by VCSC showed that the total trading value of the two exchanges averaged out at over VND3.5 trillion a day in the first quarter, or 27 percent higher than 2016. This means the market has seen positive cash flow over the past time.

Phan Dung Khanh, head of investment consultancy at Maybank Kim Eng Securities Company, said a correction, if any, would be a technical turnaround. It would not change the current market uptrend at least in the next one or two weeks.

In general, the market still sees a positive outlook thanks to strong cash flow, foreign net buying and good earnings results in the first quarter reported by listed enterprises. Besides, macro-economic information remains stable, the greenback has depreciated against the dong after getting firmer for several weeks and other investment channels like gold and foreign currency have been less appealing.

Le Nguyet Anh from ACB Securities Company said large caps gave a boost to the market last week but they saw high selling pressure and drove the VN Index down last Friday.

During the week, investor caution triggered seesaw trading of some stocks. The market still faces correction risk in short term as the VN Index is hovering around a 10-year high. However, stocks may not see a steep correction but oscillating around the 720-point level.

Despite market developments, foreign investors stayed on the buying side, net purchasing VND850.8 billion worth of shares on both bourses. They are expected to maintain active trading in the near future and further support the two stock indexes.

Besides, annual general meeting sessions and earnings reports in the first quarter will also prop up the market. http://english.thesaigontimes.vn/53275/Experts-forecast-market-correction-this-week.html

VN apparel firms avoid stock market for now

04/Apr/2017 Intellasia | VNS

Although Vietnamese apparel company movement toward the stock market is an inevitable trend in a market economy, only 30 businesses of the sector's total of 6,000 have listed so far.
Analysts say that most domestic garment and textile companies are concerned about the possibility that if they list, foreign investors could corner large chunks of their shares or even attempt hostile takeovers. Many companies also fear their shares would not get fair value if listed now, because the sector faces many challenges.

Last year was a hard one for the sector, with results much worse expected, including just $28.3 billion worth of exports, a year-on-year increase of 5.6 per cent.

In addition, the year's target had been adjusted down from $31 billion to $29 billion, after major importers, including the US, the EU and Japan, reduced demand for garment and textile products.

Listed companies did not escape the downturn: Soi The Ky Joint Stock Company saw after-tax profits plummet by 60 per cent to less than VND29 billion ($1.28 million), Thanh Cong Textile Garment Investment Trading Joint Stock Company's after-tax profit was down 25 per cent to VND114 billion ($5.06 million).

This year, the sector is expected to face many challenges as well, including a lack of support from tax policies, since several important trade deals such as the EU-Vietnam Free Trade Agreement and the Trans-Pacific Partnership will not come into effect.

Lastly, competition will only become fiercer, as other countries march ahead thanks to their conducive tax policies and exchange rates. The instability in the EU economy is also expected to have an impact.

Local investors bid for HCM City airport expansion

Early last month the Civil Aviation Administration of Vietnam (CAAV) submitted plans to expand HCM City's Tan Son Nhat Airport to the Ministry of Transport for approval.

The work is estimated to cost around VND19.35 trillion ($860 million) and is part of the government's goals for 2020.

According to the proposal, the airfield's current runways will remain unchanged, though a new way will be added.

Two quick exit taxiways will be built between the runways, while extra taxiways will be added to facilitate aircraft movement.

The existing apron will be expanded to an area of 19.97 hectares on land belonging to the defence ministry.

Another apron will be built in front of a planned bimodal terminal that will expand Tan Son Nhat's parking capacity from 83 aircraft to 89 aircraft.

The expansion plan has attracted lots of interest from airport developers. Lien Thai Binh Duong Import - Export Company (IPP) became the latest investor to join the race to build terminals 3 and 4.

IPP has been a partner of the CAAV for several years and is also a major shareholder in the Southern Aviation Service Company (SASCO).

The company promises to complete the construction within 18 months if it gets the contract.

Earlier, a joint venture company ATAD Steel Structure Corporation and Nam Viet A Development and Construction Investment Company also submitted a bid to the Ministry of Transport.

However, Vietjet Aviation Joint Stock Company had been the first to evince interest.

The country's largest low-cost carrier made a bid to build terminal 4 with a capacity of 10 million passengers a year on a 21 hectare site.

It also wants to set up a VND3.048 trillion aviation technical services complex on a 30ha site at the airport.

This will include a cargo terminal with capacity of 300,000 tonnes a year, a facility to repair and maintain aircraft and another to provide catering services to airlines.

The government's policy of calling for private participation in major infrastructure projects seems to be paying off.

It also indicates the strong growth in the financial and technical capabilities of domestic players, which allows them to bid for large and important infrastructure works.

The plan to expand Tan Son Nhat International Airport's capacity to 45 million passengers a year is likely to be realised soon, experts said.

VN gets new energy efficiency labeling rule

On March 9 prime minister Nguyen Xuan Phuc issued a Decision on four categories of appliances and vehicles that must comply with energy efficiency norms.

A roadmap for implementation of the new regulations is also in the new policy.
Cars and many kinds of equipment must carry energy efficiency labels and meet minimum energy efficiency norms from April 25.

The vehicles for which fuel efficiency labels are mandatory are cars with seven seats or less.

But for cars of between seven and nine seats, the labelling will become compulsory from January next year.

For motorbikes, compulsory labelling will begin in 2020.

The other categories are household appliances like fluorescent lamps, ballasts, air conditioners, refrigerators, washing machines, electric cookers, electric fans, TVs, LED lights and water heaters, and office and commercial equipment like photocopiersons, computer monitors, printers, freezers, and laptops.

Industrial equipment like transformers and electric motors will also come under the purview of the new regulation.

The government will also encourage voluntary fuel and energy efficiency labeling for vehicles and appliances other than these.

In April 2012, the Ministry of Industry and Trade (MoIT) issued a Circular on efficiency labelling for electrical appliances and equipment based on the Law on Energy Efficiency and Conservation that took effect in 2010.

Manufacturers and importers of the appliances and equipment listed in the prime minister's decision, officially known as No 04/2017/QĐ-TTg, and those voluntarily affixing energy-efficiency labels must follow the approved procedures for registration, evaluation and certification.

Energy labelling aims to enable consumers to identify energy-efficient products, discard low-efficiency appliances, reduce energy consumption and protect the environment.

The most popular products to be certified and stamped include air conditioners, refrigerators, television sets, washing machines, electric fans, rice cookers, and lighting equipment.

However, the new regulation reveals many practical difficulties. A large number of export-import businesses complain its implementation is cumbersome, costly, time-consuming and even impracticable.

Now they will have to test the same product more than once to get the certification since it is only valid for 6 months. But there are too few energy testing laboratories in the country.

Many experts warn life will become harder for enterprises, causing damage costing hundreds of billions of đồng due to a "discrepancy" among the rules on testing for customs clearance.

They say it adds yet another difficult administrative procedure and thus adversely affects the competitiveness of businesses.

Taking cognisance of the criticism, the MoIT has recently issued Circular No 36/2016/TT-BCT to replace Circular 07/2012/TT-BCT on energy labeling for vehicles and equipment. The new circular aims to remove regulations and terms which caused difficulties to businesses.

Accordingly, businesses will take responsibilities for their announcements and energy self-labeling products' quality.

The circular also allows pilot testing for energy self-labeling by independent testing organisations and laboratories of both domestic and foreign producers; not limited to testing on energy labeling in independent testing organisations.

Companies are allowed to use the results of energy efficiency tests done once for each model, whether produced domestically or imported if they are the same model, with their validity being unlimited.

The amendments mean the labeling requirements are expected to be met without much difficulty.


Philippine firm eyes Saigon Beer stake

04/Apr/2017 Intellasia | VNS

San Miguel, Philippines' largest brewery corporation, is "evaluating and may bid" for Vietnam's Saigon Beer Alcohol Beverage Corp (SABECO), company president Ramon Ang told Bloomberg reporters last Friday.

Vietnam may provide an anchor to increase its brewery business as consumption in the country is growing at an annual rate of at least 10 per cent, five times that in the Philippines, he said, adding that his company sells nine of every 10 beers in the Philippines.

"The businesses we ventured into have matured, therefore the company is in a very stable position," Ang said, citing compounded annual 20 per cent growth in recurring profit and a near fourfold increase in assets since 2008 following San Miguel's diversification from food and drinks into non-allied industries such as
toll roads and resources. Excluding one-off items, profit will rise at least 20 per cent to some 60 billion pesos (US$1.2 billion) this year, he said.

The company plans to invest $34 billion in an oil refinery, an integrated steel complex and an ocean-tide power plant as the Philippines' largest company by sales expands amid forecasts for robust economic growth in the country, according to its president.

Saigon Beer or SABECO, Vietnam's largest brewer with 40 per cent market share, has received government approval to hire consultants to advise the State-owned company on its planned stake sale this year. Heineken NV, Anheuser-Busch InBev NV and Asahi Group Holdings Ltd are among seven foreign companies that previously registered to bid for stake.

An initial public offering of San Miguel's unit SMC Global Power Holdings Corp may push through in the third quarter, Ang said, declining to provide further details. In January 2014, as much as $1 billion was raised from a maiden-share sale of up to 49 per cent of the unit, which owns San Miguel's power-plant ventures, Ang said.

Ang's expansion outside of food and drinks did not immediately boost San Miguel's share performance, which has trailed the benchmark Philippine Stock Exchange Index since he was named president in 2002. While the stock has gained 13 per cent this year after rallying 85 per cent in 2016, boosted in part by a windfall from the sale of its telecom assets, San Miguel has underperformed relative to the index in six of the 10 years since 2007, when Ang obtained shareholders approval to expand into non-allied industries. The benchmark index has gained almost 7 per cent this year after losing 1.6 per cent in 2016.


Sovico Investment, BS Refining talk equitisation
04/Apr/2017 Intellasia | VNS

Investment firm Sovico Holdings is in talks with the Binh Son Refining and Petrochemical Company (BSR Co Ltd) on exploiting opportunities arising out of the latter's equitisation process.

The talks are focusing on BSR's equitisation plan for 2017 as well as its Dung Quat Refinery expansion project, another major task undertaken by the company.

"The equitisation process is a chance for potential investors to partake in BSR's progress, while the Dung Quat expansion programme is still in its developmental stage. Once it is operational, BSR's market value will surely change accordingly," said Tran Ngoc Nguyen, BSR general director.

As the operator and overseer of the Dung Quat Refinery, BSR intends to complete the expansion in 2021, he said.

The refinery will increase its capacity by 30 per cent to 8.5 million tonne of crude oil per annum, meeting about 50 to 60 per cent of domestic oil demand, and generate export products meeting euro O IV and V standards.

Executives of both companies are also discussing import and export channels for BSR's crude oil to accommodate Dung Quat's expansion, operating capacity and growth opportunities in the context of fluctuating world oil prices.

"We hope to have further in-depth meetings with BSR to gather enough information before making our decisions on investing in BSR's equitisation," said Nguyen Thanh Hung, Chair of Sovico Holdings.

Once the equitisation process starts in the third quarter of 2017, BSR expects to leave 49 per cent of its shares owned by the Vietnam Oil and Gas Group (PetroVietnam).

BSR aims to have three main investor groups: strategic shareholders, financial shareholders and registered shareholders.

Sovico Holdings' current registered capital is VND1 trillion (US$45 million), with interests in a wide range of businesses including real estate. It is a majority shareholder in private airline Vietjet Air.

BSR's 2016 revenue totalled VND5 trillion ($224.6 million), down 21 per cent from 2015. In the first quarter of 2017, however, the company has already earned a post-tax income of VND1.8 trillion ($80.8 million).

BSR general director Nguyen disclosed that at the end of 2016, many foreign partners had asked to purchase shares in the Dung Quat Refinery, including Russia's Gazprom Neft and oil companies from Thailand and Singapore.

Key criteria for BSR's future strategic partners include strong financial capability and experience in the oil refining field, he said.

http://bizhub.vn/markets/sovico-investment-bs-refining-talk-equitisation_285219.html
Reference exchange rate up 5 VND
03/Apr/2017 Intellasia | VNA
The State Bank of Vietnam set the reference VND/USD exchange rate at 22,281 VND/USD on April 3, up 5 VND from the end of the last week.
With the current +/- 3 percent VND/USD trading band, the ceiling exchange rate is 22,949 VND per USD and the floor rate is 21,613 VND per USD.
In the opening hours, commercial banks made slight changes to their rates.
Vietcombank listed the buying rate at 22,710 VND/USD and the selling rate at 22,780 VND/USD, down 10 VND.
Techcombank set its buying and selling rates at 22,710 VND and 22,800 VND, per USD, unchanged from the end of last week.
Vietinbank offered its buying and selling rates at 22,700 VND and 22,780 VND, per USD, unchanged from the end of last week.
http://en.vietnamplus.vn/reference-exchange-rate-up-5-vnd/109651.vnp

SBV allays concerns over brief deposit rate hikes
03/Apr/2017 Intellasia | VNS
The fluctuations in deposit rates at the beginning of this month were an anomaly and things have returned to normal now, says deputy prime minister Vương Đình Huệ.
However, he said, there must be stricter regulations and controls to ensure that the situation does not recur.
During the "turbulent" period, several commercial banks had issued deposit certificates with annual interest rates from 8.2 to 9.2 per cent for long term deposits and 5.4 to 6.9 per cent for short-term ones in order to attract more capital.
This was a significant increase from the previous average rates of 6.5 to 6.8 per cent in late 2016.
Banks started offering high rates for long-term deposits (for more than a year) because the central bank was looking askance at the use of short-term deposit funds to grant medium to long term loans.
This triggered some anxiety about a shortage of cash and ensuing high borrowing costs.
The central bank allayed such concerns.
"This phenomenon was localised and has been quickly stabilised," said Le Minh Hưng, Governor of the SBV.
The governor also asserted that during the first quarter of 2017, especially during the period that deposit rates spiked, there were domestic and international pressures.
One was the Federal Reserve's second increase of prime rate on the US dollar in the past three years.
In the first three months of 2017, the SBV was following world market trends and actively adjusting the banking system's liquidity to ease pressure on interest and exchange rates.
These timely actions helped keep the exchange rate between the US dollar and domestic currency stable.
Hung said that on the whole, commercial interest rates and SBV's rates would not undergo any significant change and in the near future, the central bank would keep a close watch on the market situation to ensure interest rate stability and help businesses access the credit they need to develop.
In the first quarter of 2017, money supply into the economy has increased to satisfy the market demand for capital at a reasonable rate and volume, according to the state bank governor.
At the same time, credit flows have increased since January 2017, and core inflation has been stable, showing that current fiscal policies were headed in the right direction.
However, Huệ also reminded the SBV to push public investment and increase the efficiency of policy implementation.
The bank must find a solution to keep the impact of global developments on domestic rates to a minimum, he said.
A legal framework to control inflation and other economic tools should also be deployed to ensure a safe and efficient banking system, Hue said.
http://bizhub.vn/banking/sbv-allays-concerns-over-brief-deposit-rate-hikes_285207.html
The actual bad debt ratio may reach up to 8.86pct

03/Apr/2017 Intellasia| VietnamBiz

In the first draft of the Law on supporting the restructuring of credit institutions (CIs) and the processing of bad debts, the State Bank of Vietnam (SBV) has pointed out many shortcomings and restrictions of the operation of CIs. Specifically, the business performance of CIs remains low due to numerous difficulties of business activities, bad debt settlement pressure, and huge provision for risks. Although the bad debt ratio on the balance sheet has been controlled at less than three percent, if including the bad debts managed by the Vietnam Asset Management Company (VAMC), the bad debts on balance sheets, and debts which may potentially become bad debts, the actual ratio of bad debts may reach 8.86 percent.

SBV also assessed that the handling of bad debts has initially achieved positive results but the law on dealing with bad debts and secured assets is inadequate and lacks specific mechanisms for VAMC's operation. Summing up some remarkable results, the bad debt settlement process of SBV from 2011 until now has recorded certain successes.

Firstly, weak CIs were identified and restructured without out-of-control collapses, ensuring the stability and safety of the CI system, the assets of the State, while people are secured. Secondly, the mergers and acquisitions took place on a voluntary basis, mainly using social resources and not directly using the State budget. In addition, the number of CIs has fallen by about 22 units. Thirdly, cross-ownership and cross-investment, particularly the situation of shareholders or group of major shareholders manipulating the market have been partly handled. Lastly, CIs have actively enhanced the asset quality, controlled credit quality and handled bad debts, especially the efforts to self-settle bad debts. As of December 31st 2015, CIs managed to handle 493.09 trillion dong of bad debts. By the end of December 31st 2016, the bad debt ratio on balance sheet of the system of CIs was 2.46 percent.

On the other hand, SBV also identified some main causes leading to the limitations in the restructuring of CI system, which are the incomplete legal framework, policies and mechanism on dealing with weak CIs. In particular, the competence of SBV in dealing with weak CIs is insufficient, and the recovering and restructuring of CIs remains difficult due to the lack of supportive solutions suitable to the characteristics of each CI and the lack of legal regulations on the disposal of property, particularly the right to seize property, the right of VAMC to receive secured assets being land use rights, and the right to handle property being real estate projects, etc.

Thus, SBV believed that the improvement of legal framework for the handling of weak CIs and bad debt settlement by issuing a separate law is an important and necessary measure. This will create a breakthrough to the bad debt settlement process in the 2016-2020 period.

NA to consider draft law on restructuring and supporting NPLs

03/Apr/2017 Intellasia | VN Economic Times

Draft law on non-performing loans to go before next session of National Assembly.

State Bank of Vietnam (SBV) Governor Le Manh Hung has said that the Draft Law on Restructuring and Supporting non-performing loans (NPLs) will be considered at the next National Assembly session.

The National Financial and Monetary Policy Advisory Council, headed by deputy PM Vuong Dinh Hue, held its first quarterly meeting of the year on March 29. The restructuring of credit institutions (CIs) and dealing with bad debts were identified by members as important tasks.

Reporting on monetary and banking operations in the first quarter of 2017, SBV deputy Governor Nguyen Thi Hong said that the interest rate was governed by sound liquidity regulation and instructed CIs to reduce costs, improve business efficiency, and be able to reduce interest rates on loans.

The SBV continues to control credit growth in line with credit quality improvements, focusing on production and business sectors, priority areas, and strict control of risky areas, to create conditions for customers to access credit.

Credit growth has been sound since the beginning of the year, with a positive credit structure, and positive credit programmes and policies have been actively implemented. Money supply for the economy in the first quarter increased to serve capital requirements a reasonable level and were completely controlled.

Inflation is at stable monthly average, which shows that current monetary policy is heading in the right direction.

Council members concurred with the results of fiscal and monetary policies as well as the coordination of these policies, which contribute to macro-economic stability, economic growth, and inflation control. However, Council members also pointed out that the handling of difficulties and obstacles, vigorously
promoting the process of economic restructuring, especially the restructuring of ICs, and dealing with bad
debts are among the most important measures to contribute to macro-economic stability, curb inflation,
stabilise interest rates and exchange rates, and boost economic growth in the time to come.

At the meeting, Governor Hung added that the SBV has finalised the draft restructuring plan for CIs
associated with dealing with bad debts for the 2016-2020 period and has developed a draft law to
restructure and support the handling of bad debts. It was proposed that the draft law be submitted to the
National Assembly for consideration and approval at its next meeting.

http://vneconomictimes.com/article/banking-finance/na-to-consider-draft-law-on-restructuring-and-
supporting-npl

Law to allow bank bankruptcy
03/Apr/2017 Intellasia | VNS

The State Bank of Vietnam (SBV) is drafting a law on supporting credit institutions to restructure and
resolve bad debt in an effort to quicken the process.

The incomplete legal framework for handling poorly-performing banks and bad debts is hindering the
restructuring of credit institutions, according to SBV.

The central bank in a note pointed out that it currently does not have adequate jurisdiction to handle weak
banks, and there is a shortage of mechanisms and resources for handling bad debts and mortgaged assets,
which increase risks to the system and the whole economy.

The first draft version of the law, which SBV recently published for comments, provides mechanisms for
the first time for weak banks to file for bankruptcy. The idea of allowing weak banks to go bust was not
new but was included in a legal document for the first time.

Allowing bankruptcy was necessary when the restructuring of the banking system must be hastened and
improved in term of quality, according to Bao Viet Securities.

Statistics show that as of the end of 2016, bad debt ratio was controlled at below 3 per cent, but the
central bank warned that it could amount to 8.86 per cent if bad debts managed by the Vietnam Asset
Management Company (VAMC) and loans which could potentially turn into non-performing were
included.

The safety of the credit institution system in Vietnam remains low compared to other countries in the
region, while the burden of supplying capital for the economy was increasingly heavy, making the system
vulnerable to shocks, the central bank said.

The ratio of credit to GDP increased in 2012-15 from 95.2 per cent to 111.1 per cent, high compared to
Indonesia (36.5 per cent), the Philippines (39.1 per cent), Brazil (67.1 per cent) and India (51.6 per cent).

"If the legal framework is not improved, it will be impossible to promote banking capital, which will
affect GDP growth," the central bank said in the note. "It is necessary to have a separate law to enhance the
restructuring in the next five years towards efficiency."

Let weak banks fall?

Lawyer Bui Quang Tin from the Banking University of HCM City said bank bankruptcy is new to
Vietnam and the process would need a carefully-prepared roadmap.

Last year, deputy prime minister Vuong Dinh Hue said that Vietnam should bravely pilot allowing a
bank to go bankrupt, but the bankruptcy must ensure rights of depositors and not cause a domino effect.

According to Nguyen Van Hung, the SBV's deputy Chief Inspector, 2017 would be the year to handle
weak banks thoroughly in order to resolve cross ownership among credit institutions.

SBV planned to handle five weak banks this year, including three banks bought at zero dong - Vietnam
Construction Bank, OceanBank and GPBank.

The central bank would also consider letting some poorly-performing financial companies and credit
funds go bankrupt, as a warning for the whole system.

Six-year credit high

Banking credit grew 2.81 per cent in the first quarter of 2017 over the same period last year, a six-year
high, according to the general Statistical Office (GSO).

Credit growth in Q1 was higher than deposit growth of 2.43 per cent, reflecting the improved capital
absorption capacity of businesses.

Deposit rates were stable at 4.5-5.4 per cent per year for deposits of 1-6 months, 5.4-6.5 per cent for 6-12
months and 6.4-7.2 per cent for 12 months and up.

Lending rates were at 6-7 per cent for prioritised sectors and 6.8-9 per cent for short-term loans and 9.3-
11 per cent for medium and long-term loans.
Creditors adjust growth forecasts

Despite expectations of stable interest rate levels this year, credit institutions have made adjustments in their forecast for capital mobilisation and credit growth in the second quarter and the year, according to a State Bank of Vietnam (SBV)'s latest survey.

The survey on business trends of credit institutions conducted from February 25 to March 9 by the SBV's Statistics and Forecasting Department questioned all credit institutions and branches of foreign banks nationwide. The rate of response was 89.5 percent.

Specifically, the capital mobilisation of the whole system would likely grow at 5.58 percent in the second quarter of the year and 16.23 percent in the whole year, slightly less than the expectation of 16.76 percent made in the December 2016 survey.

Credit growth from April to June this year is anticipated to reach 5.81 percent while that for the whole year would be 17.23 percent, lower than the 2016 real growth rate of 18.25 percent and 2017 target of 18 percent.

Earlier, in the 2016 survey, the credit growth was expected to be even higher, at 20.09 percent.

According to the survey's results, the abundance of banking liquidity is forecast to be maintained in the second quarter and the whole year for both, the Vietnam Dong and foreign currency, as it was in the first three months of the year.

Liquidity abundance of the credit institution system is a foundation for stabilising the interest rates of deposits, which helps keep the interest expense stable and thereby maintain the net interest margin.

It is also one of the prerequisites for stabilising the lending interest rates to support production and business expansion of enterprises, contributing to the economic growth target of 6.7 percent this year.

Most of the credit institutions said that their bad debt to outstanding loan ratio in the second quarter of the year would be less than or unchanged from the levels of the first three months of the year.

Fiscal, monetary policies on right track: economists

Fiscal and monetary policies have been on the right track since early this year, members of the National Advisory Council on Fiscal and Monetary Policies confirmed at their quarterly meeting recently held in Hanoi.

They reached a consensus on the issue after reviewing the recent global and domestic economic developments such as the US's Federal Reserve (FED) raising USD interest rates, and increasing trade protectionism and its impact on the domestic economy.

The economists recommended that the government should regularly update and evaluate information from other economies to make strategic moves.

They viewed that though the FED's interest rate rise, the US government's withdrawal from the Trans-Pacific Partnership (TPP) and increase in the prices of commodities in the world market were yet to hurt the Vietnamese economy much in the first quarter this year, but will affect the control of inflation, exchange and interest rates in the near future.

The government must maintain the macro-economic stability and stay consistent in steering fiscal and monetary policies since early this year and while reacting promptly to external policy changes, they said, asking for speedy disbursement of public investment as well as reviewing the Laws on Public Investment and Construction to clear barriers to the process.
As average inflation tends to go downward, the government was advised to oversee and adjust prices of public services, including electricity supply.

In the meantime, the government should prioritise the restructuring of five key areas, including the commercial banking system, public investment, State-owned enterprises, budget collection and spending, and operation of public services establishments.

Deputy prime minister Vuong Dinh Hue, who chairs the Council, asked the ministries of Finance, Planning and Investment, and the State Bank to refine socio-economic reports and supplement more norms regarding growth quality to be submitted to the government's monthly meeting slated for early April.

Banking to get an E&S rule mandate

The central bank is gradually introducing a raft of regulations to enforce laws that require local lenders to incorporate environmental and social risk management into their lending criteria.

As part of an attempt to promote a greener and more sustainable economy, the State Bank of Vietnam's (SBV) Circular No.39/2016/TT-NHNN, regulating the lending operations at credit institutions and foreign bank branches - which took effect on March 15, 2017 - clearly states that project finance is to be conducted on the basis of negotiation between credit institutions and their clients. They should be congruent with lending provisions and current rules and regulations on environmental protection.

Economist Nguyen Tri Hieu, when asked about how environmental and social (E&S) risks were managed in banks' lending operations, said that only a few banks had adopted E&S risk management procedures in project financing.

According to a survey reviewing the current practices in E&S risk management among Vietnam-based commercial banks by SBV and IFC in 2012, one-third of the 54 banks that responded identified a lack of enforcement of E&S laws as a major constraint to E&S risk management.

"Local banks indicated that without strong enforcement of E&S regulations and laws, businesses seem to avoid setting E&S issues as a high priority, and it would be very difficult for banks to change that behaviour," the survey found.

Meanwhile, only 26 per cent of the local banks reported that they were aware of best practices and international initiatives on E&S, such as IFC Performance Standards or Equator Principles - the risk management frameworks to determine, assess, and manage environmental and social risks and impacts in projects. It is worth knowing that these lenders were asked to adopt E&S best practices in lending operations as a provision of business cooperation or strategic partnerships with financial development institutions.

A number of lenders like VietinBank, BIDV, and Vietcombank are leading the market in complying with E&S risk management requirements in project finance, adopting best practices in establishing procedures and systems for evaluations and gradually developing green credit portfolios. The majority of banks are still at the early phases of drafting internal policies and procedures to meet SBV's new requirements for E&S risk management and international best practices.

"E&S risks should be included in banks' risk management framework to ensure clients' compliance with lending commitments. It's also a growing global tendency to mitigate projects' negative impacts on the environment and society," Hieu said.

In Hieu's viewpoint, effective implementation of E&S risk management in lending will positively impact the national economy's sustainable development, credit institutions, and their clients. "Should a business project create harm to the environment, the project owner will mark a fall in terms of profit and the lender itself will face risks in terms of bad debts, legal ramifications, and a damaged reputation," he said.

In 2015, SBV successively issued Directive 03 and Decision 1552 to promote green credit growth and E&S risk management in project finance.

According to Nguyen Toan Thang, secretary general of the Vietnam Banks Association (VNBA), the policy-level attempts, together with Circular 39, have shown the concerted efforts of the Vietnamese government and SBV to boost sustainable growth across the banking sector.

"I expect that SBV will take an active role in designing policies and setting sector priorities in the near future. In that manner, credit structure will be shifted towards more environmentally friendly debtors, making greater contributions to green growth," Thang said.

"In addition to rules and enforcement, it also takes time and effort to raise awareness, build capacity, and create favourable conditions for banks to make changes in lending practices," he added.
Can Van Luc, deputy director of BIDV, said, "We have recently seen several winds of change. Some banks have launched their E&S risk management systems and participated in green credit programmes of international organisations, such as the World Bank's renewable energy programme."

General director Le Duc Tho of Hanoi-based VietinBank - a bank with two strategic foreign partners, IFC and Bank of Tokyo-Mitsubishi UFJ (an Equator bank) - told local press that the lender has developed a set of E&S risk management policies and guidelines in project finance adhering to international best practices.

"We take the initiative to access sources of green financing via local ministries, international development institutions such as World Bank Group, Asian Development Bank, or European Investment Bank, as well as NGOs. We broadly offer our loans for energy-saving and seek appropriate borrowers," Tho said.

Yet in order to upscale the effectiveness, BIDV's Luc stressed the need for a national master programme on green credit and related guidelines for specific industries and sectors. He also proposed the creation of baseline procedures for evaluation lending. "That will be the touchstone for implementation by banks," Luc said.

Hieu, likewise, highlighted that in the near future, all credit agreements should include a compulsory provision for protecting the environment and community. "Banks will have a monitoring role. If enterprises don't fully comply with agreements, relevant sanctions should be applied," he said.


Lending rates of finance companies certainly higher than banks

03/Apr/2017 Intellasia| Bao Dau Tu

The emergence of consumer finance companies is contributing to increase the people's access to financial services. However, the problem now is to help the people better understand the operation mechanism of this sector, avoiding misunderstandings about interest rates.

Under the general trend of the world, the financial market is increasingly diverse with various service channels such as banks, finance companies, insurance companies, etc. Especially, in Vietnam, the comprehensive financial enhancement is being paid attention to both in terms of policy mechanisms, legal frameworks, financial infrastructure, and the development of access channels associated with the application of technology, formal finance and banking products and services that are suitable, convenient and efficient with the goal of increasing the accessibility and usage of the people.

As per financial and banking experts, the development of financial market is moving towards the objective that all the people can have access to financial services. For example, poor people in remote and isolated areas can access microfinance channels; more better-off people can access commercial banking system; and if customers want to get unsecured, small loans with quick procedures, there have had consumer finance companies.

It is no coincidence that after implementing credit institution restructuring scheme for the period of 2011 - 2015, the system of finance companies has been strengthened to professionalise lending activities.

Since March 15, 2017, with the introduction of Circular 43/2016/TT-NHNN regulating consumer lending activity in financial companies, consumer lending has become more transparent, more suitable with the law and the real life.

At the same time, the Circular also provides loans to individual customers to meet the capital demand to purchase and use goods and services for personal consumption purpose. This is expected to help boost consumption trend, and stimulate economic growth.

Currently, there still remain concerns about high lending rates in financial companies because the people do not understand the nature of operations, and the capital structure of financial companies.

Pham Xuan Hoe, deputy director of the Banking Strategy Institute, said that consumer lending rates are determined based on many factors. In particular, the cost of this loan is one of the most important factors.

Specifically, consumer finance companies are not allowed to mobilise deposits from the people and are not allowed to make payment internally to have low interest rates, such as the balance in the customer's card account. Therefore, the input cost of these loans is usually much higher than commercial banks. The capital of financial companies is mainly equity, along with the bond issuance on the market for organisations and businesses.

Although finance companies are based in major cities, their service locations and targeted customers are spreading throughout the country. So, there needs to have a large number of staffs to handle many small
loans. Procedures are simple i.e. there just needs identity card, household registration but there still needs to have to make an application.

Under Circular 43, the highest loan at consumer finance companies is 100 million dong, but some loans worth only five million dong. Meanwhile, finance companies still have to pay trip allowance for staff to evaluate, complete loan application. There is also a cost for "credit history" inquiry from the National Credit Information centre of Vietnam (CIC) and other financial constraints and regulations with the State on taxes and charges.

With such a wide range of input costs plus the high level of risks upon lending (as this is a non-collateral loan), it is understandable when finance companies lend at higher interest rates than commercial banks. It should also be said that this is a common practice in other countries, not just Vietnam.

Card payment accounts for only 3pct in personal consumption in Vietnam

On the morning of March 30, 2017, in HCM City, Visa officially announced results of an online study on consumer behaviors and payment trend in Vietnam and Singapore; Malaysia; Thailand; the Philippines and Indonesia.

The survey results of 500 individuals in six key provinces of Vietnam show that in 2016 Vietnam had about 67.4 million bank accounts compared to 16.8 million in 2010.

However, payment by card only accounts for three percent of the total annual personal consumption in all six provinces and cities including HCM City, Hanoi, Da Nang, Can Tho, Hai Phong and Khanh Hoa. In addition, only 50 percent of e-commerce spending is processed by cards.

In fact, Sean Preston, country manager of Vietnam-Cambodia and Laos at Visa, is very optimistic about the vision of Visa in Vietnam by 2020. In particular, 70 percent of respondents said they preferred electronic payment over traditional methods. The level of confidence in e-payment in Vietnam has increased 24 percent compared to 2015.

In addition, the survey also shows that Vietnamese people tended to bring less cash in their wallet. 29 percent of respondents said they brought less cash in their wallet than five years ago. When being asked why, the majority of responses were due to the fact that they used more cards (59 percent) and worried about safety when bringing cash (56 percent).

The results of this study are quite similar after the Vietnamese government approved the non-cash payment development project for the period of 2016-2020. Accordingly, by the end of 2020, the proportion of cash on the total means of payment is less than 10 percent.

Visa's survey also shows many positive signs for the development of a non-cash economy. 83 percent of respondents said they did online shopping at least once a month (up 11 percent from 2015). Consumers said their shopping behaviors were mostly affected by reading reviews, comments on social network (73 percent), followed by promotions (53 percent).

The widespread coverage of smartphones in Vietnam also contributed to the growth of e-commerce and mobile commerce. About 70 percent of consumers purchased once a month on smartphones, including 73 percent of Generation Y and 63 percent of Generation X.

The survey also showed many positive aspects in the less discussed aspects in e-payment. For example, 77 percent of survey respondents preferred using services that allow for automatic payment, ignoring traditional payment processes, such as how Uber and some other taxi applications make automatic payment on the passenger's card at the end of each trip. Furthermore, 72 percent of respondents agreed to use biometric technology such as fingerprints and facial recognition for payment verification.

With the optimistic survey results, how will Visa realise its business investment in Vietnam? Sean Preston said, starting in 2017, Visa will invest a one-touch payment method that does not need to scan the card like the traditional way. Specifically, in 2017 Visa will disseminate mVisa, a QR code-based payment service, to retailers and consumers in 10 countries, including Vietnam. mVisa is a mobile payment solution that makes buying and selling easier and safer for financial institutions, retailers and consumers, thereby accelerating the transition from cash to electronic payments globally. This method also helps sellers not necessary to invest in expensive facilities at the point of sale.

Explaining the reason to choose Vietnam as one of the 10 locations to introduce this service, Sean said that more than half of Vietnam's population owns smartphones - the tool that uses mVisa most effectively. Therefore, Visa is preparing the basic steps to soon bring mVisa to many Vietnamese consumers in the shortest time.
Visa is a global payment technology company that connects clients, businesses, financial institutions and government agencies in over 200 countries and territories around the world. VisaNet - one of the most advanced payment networks in the world - handles e-transactions with the ability to handle over 65,000 transactions per second and anti-fraud capabilities for customers.

Banks optimistic about business prospects in remaining quarters
03/Apr/2017 Intellasia | Tri Thuc Tre

The Monetary Forecasting and Statistics Department (under the State Bank of Vietnam - SBV) has just released the survey results on business trend in Q2/2017 for credit institutions (CIs) and branches of foreign banks in Vietnam.

The survey was conducted from February 25, 2017 to March 9, 2017 with all CIs and branches of foreign banks in the country, with the response rate of 89.5 percent.

As per the assessment of CIs, in Q1/2017, internal factors and external business environment factors have not improved significantly compared to the previous quarter. However, CIs expect subjective and objective factors of the business environment will be stronger in 2017 compared to 2016.

The business situation of CIs in Q1/2017 improved slightly. CIs expect the trend to continue in 2017.

In Q1/2017, 59 percent of CIs said that their business situation continued to improve compared to Q4/2016, most answered to have "little improvement" (49 percent of CIs). In the coming time, 75.2 percent of CIs expect their business performance in Q2/2017 to improve compared to Q1/2017. 83 percent of CIs expect their business performance in 2017 to be better than 2016, of which 20 percent of CIs expect "much improvement" and 63 percent of CIs expect "slight improvement".

In 2017, 90.4 percent of CIs expect their pre-tax profits to grow over 2016 with the average growth rate of the whole system of CIs to be much higher than the expectation of CIs in the survey in December 2016. CIs expect their business performance in Q2/2017 to improve compared to Q1/2017.

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In 2017, 90.4 percent of CIs expect their pre-tax profits to grow over 2016 with the average growth rate of the whole system of CIs to be much higher than the expectation of CIs in the survey in December 2016. In particular, the net interest income, the net income from fees and services, and the net income from self-employment are expected to grow fairly.

CIs identify customers' demand for finance and banking products and services will continue to show positive movements in Q1/2017, in which the demand for payment in cards is considered to be the largest (42.5 percent of CIs selected "high"), followed by the demand for loans (37.4 percent of CIs selected "high") and the demand to deposit (35.5 percent of CIs selected "high").

It is expected that in Q2/2017 and the whole year 2017, credit institutions continue to be optimistic about the increased demand of customers for finance-banking services. In Q2/2017, 65.6 percent of CIs expect total customers' demand for banking products and services to continue increasing, higher than the 55.7 percent of CIs having the same comment for Q1/2017 recorded at the previous survey, mainly focusing on state-owned commercial banks, joint stock commercial banks. Of which, the demand for loans is expected by CIs to be "higher" than the two remaining demands with 68 percent of CIs.

The development and the increase in this demand is consistent with the seasonal characteristics of the economy about the increased capital demand to invest in business and production in Q2 instead of the increased demand for using payment services and cards during, before and after the Lunar New Year.

Most CIs said that they kept the average price of finance and banking products and services stable in Q1/2017 and plan to sustain it in Q2/2017. In 2017, 50 percent of CIs is expected to remain the average price of their products and services, 20 percent of them plan to continue "reducing slightly" but 29.8 percent of them expect to raise slightly the "average price of products and services".

mVisa to come out later this year
03/Apr/2017 Intellasia | VNS

Visa Vietnam on Thursday announced that its mVisa, a quick response (QR) code-based payments service, will soon be expanded to merchants and consumers in 10 countries, including Vietnam.

mVisa is a mobile payments solution that brings the benefits of easy and secure digital commerce to financial institutions, merchants and consumers, helping accelerate global migration from cash to electric payments.

The new payment service will also help merchants reduce their investments in expensive point-of-sale infrastructure.

Sean Preston, Visa country manager for Vietnam, Cambodia and Laos, announced that his company was working with banks and merchants so that the service could come out late this year.
On the same day, Visa announced its 2016 Consumer Payment Attitudes Study, which said that consumers in Vietnam were increasingly leaving their cash at home, with 62 per cent preferring to use electronic payments.

"When asked why they are carrying less cash the majority of consumers said this was because of greater usage of cards and safety concern of carrying cash," the study said.

Visa said that its findings come on the back of an announcement that the Vietnamese government plans to make transactions almost totally electronic by 2020 with the goal of having only 10 per cent of all transaction conducted.

The company's survey also showed that 83 per cent of respondents said they shopped online at least once a month, an increase of 11 per cent over 2015.

It also uncovered positive attitudes towards some of the less frequently discussed aspects of electronic payments.

For instance, 77 per cent of Vietnamese respondents had a favourable view of services that use automated payments to eliminate the physical process of paying, such as taxi apps.

In addition, 72 per cent said that they were comfortable with the use of biometrics such as fingerprints and face recognition for payment authentication.

The survey, conducted in October last year, was an online study of payment behavior and trends across Singapore, Malaysia, Thailand, Indonesia, Vietnam and the Philippines.

Respondents were people above the age of 18 with a monthly personal income of VND5 million and above.

http://bizhub.vn/banking/mvisa-to-come-out-later-this-year_285197.html

Regional audit institution congress in 2018 set to open in Hanoi

03/Apr/2017 Intellasia | VOV

The Vietnam State Audit will host the 14th congress of the Asian Organisation of Supreme Audit Institutions (ASOSAI) in September 2018, with major events held in four days, heard a press conference in Hanoi on March 31.

National Assembly vice Chair Phung Quoc Hien, who is also head of the steering committee for organising the congress, said that the event is an important politic and diplomatic event of Vietnam, contributing to the implementation of its foreign policy.

Through the event, Vietnam also hopes to learn knowledge and experience from the ASOSAI members and attract resources to enhance the capacity of the Vietnam State Audit, said Hien.

He asked agencies to coordinate together closely in holding the event and increase the dissemination of information, while taking advantage of the congress to introduce the images of a reformed, dynamic and friendly Vietnam, which is a safe destination for investment, business and tourism.

The ASOSAI Congress is held every three years, gathering delegates of supreme audit institutions of member countries, regional audit organisations, INTOSAI representatives, development partners and sponsors.

The congress aims to decide major issues of the organisation, including the election of an executive board as well as approving the posts of President and Secretary general for the new tenure.

The theme of the 14th congress is "Environmental Audit for Sustainable Development," which is proposed by the Vietnam State Audit and has been supported by member institutions.

Established in 1979, the ASOSAI had 11 founding members and its current membership reaches 46. The organisation aims to promote cooperation and friendship among its members to improve quality and effectiveness in public audit, while connecting regional audit institutions with those in other regions across the globe.


Sacombank - an interesting investment playground

03/Apr/2017 Intellasia | SaigonTimes

On December 16th 2016, NovaGroup submitted a statement to the State Bank of Vietnam (SBV) expressing the interest to participate the restructuring of Saigon Commercial Joint Stock Bank (Sacombank). This document did not come with a specific restructuring plan.

NovaGroup has seven trillion dong in charter capital and 5,000 employees. The group is currently operating in two core businesses which are real estate (NovaLand, stock code on HOSE: NVL) and
agriculture (Anova Corp). The capitalisation value of NVL is 40.666 trillion dong (based on the share price on March 24th 2017). The company's shareholders include many foreign investment funds, including the GIC of Singaporean government. Meanwhile, Anova specialises in veterinary medicine, vaccines, animal feeds, and ranches with an annual turnover of about five trillion dong. Anova's foreign strategic shareholder is the International Finance Corporation (IFC). In the field of consumer goods, the firm is cooperating with Coopmart to develop Nova Safe Foods brand, but the information about this cooperation is fairly limited.

The question is what NovaGroup to include itself in the list for joining the restructuring of Sacombank. In the above mentioned statement submitted to SBV's Governor, NovaGroup clearly stated that "Sacombank has a strong retail system. Restructuring Sacombank is a difficult task which requires a lot of effort, money and time, but if it is successful, it will rebuild a regional retail bank. That is a good opportunity".

NovaGroup's statement also pointed out that the group has advantages and experience in dealing with real estate backlog while a large part of Sacombank's bad debts are land assets. However, NovaGroup also understands the challenges because the larger the opportunity-the higher the risks. For example, the unprofitable assets of Sacombank may become bad debts at any time; the costs of capital raising is rising and will continue to rise in order to compensate for bad debts; and Sacombank is under the pressure of personnel changes, as the bank is willing to employ hundreds of employees every month.

The governor as well as other leaders of SBV repeatedly said that bank restructuring needs real cash to remove cross-ownership. All partners wishing to participate in Sacombank's restructuring must answer many questions of the management authority, in which one of the question is whether their units have real cash.

According to the submission of NovaGroup, the firm and its Chair of the Board of directors Bui Thanh Nhon proposed to acquire 20 percent stake of Sacombank, equivalent to 360.7 million shares of the bank (Sacombank's charter capital is currently 18.036 trillion dong). The market price of Sacombank shares on March 24th 2017 was recorded at 11,400 dong per share, which means that NovaGroup will have to spend 4.112 trillion dong for this acquisition deal. That is only one of the assumptions because the trading of large volume of shares will lead to the changes in the role of shareholders as well as the structure of the bank's shareholders, and thus the trading price cannot be only based on the share price on the stock market, but other factors need to be taken into account.

According to the audited consolidated financial statement in the fourth quarter of 2016 of NVL, as of December 31st 2016, the company had 3.337 trillion dong in cash and cash equivalents (short-term deposits of less than three months), and 964 billion dong of financial investments (deposits at banks with terms of more than three months), totalling 4.3 trillion dong. However, some of the deposits have been used as secured assets for some smaller loans and guarantees as disclosed in the financial statement.

Regarding debts, NVL recorded 5.596 trillion dong of short-term loans and financial liabilities, and 7.907 trillion dong of long-term loans and financial liabilities, totalling 13.503 trillion dong, while the total debts of the firm were only 7.994 trillion dong as of late 2015. It means that the total debts of the company rose by 69 percent, equivalent to 5.509 trillion dong. The borrowing interest expenses also increased by 2.46 times from 351 billion to 863 billion dong.

In the same period, the charter capital and equity of NVL also strongly appreciated respectively from 3.683 trillion dong to 5.962 trillion dong, and 6.095 trillion dong to 10.047 trillion dong.

NovaGroup also demonstrated that the group has made preparation in terms of personnel for Sacombank (certainly must be considered and approved by SBV). According to the plan, the advisory board for Sacombank includes Jose Isidro N. Camacho, vice President of Credit Suisse Asia, the former Finance minister of the Philippines; David F. Proctor, who has served as president and general manager of six international banks; and Tri N. Pham, former Managing director of Deutsche Bank Vietnam. The Board of directors is expected to include Thomas Tobin, currently the Southeast Asia Visa manager, and former general director of HSBC Vietnam in 2007-2011 period, who has 18 years working at HSBC Hong Kong and Singapore. The person in charge of Sacombank's restructuring is expected to be Derek Lee, currently deputy general director of KPMG South Korea.

The Vietnam Asset Management Company (VAMC), after assigned by SBV, is currently the largest shareholder of Sacombank with more than 51 percent of the bank's shares, holding the controlling power. The Evercore Investor Group - including well-known businessperson Dang Van Thanh (see The candidates for the restructuring of Sacombank on Saigon Times Online No.12 dated March 23rd 2017), when proposing to pump Sacombank a huge amount of 20.6 trillion dong to increase the bank's net charter
capital, clearly stated in the document sent to SBV that "New investor will become the dominant shareholder".

Meanwhile, NovaGroup proposed that after acquiring 20 percent shares of Sacombank, VAMC authorises the remaining shareholding of SBV to the new Board of directors. When a new Sacombank with new apparatus is relatively shaped, international partners can buy such remaining share ownership of VAMC.

According to observers, under any conditions, there must be representative of SBV in the Board of directors of Sacombank. Since new investors are all eager to take control of Sacombank, SBV now has to shoulder the assessments of the nature of investments, source of money, investment purposes in short, medium and long-term of investors, and the ability to restructure, etc., not to mention about the ability that these investors may transfer the investments when these investments are profitable. The problem is how we can leverage the financial resources, personnel, and the banking management skills of these investors or their hires to bring Sacombank back to healthy banking coverage. All options have their prices and the price proposed by candidates is a mechanism in lending and tax, and support to the settlement of secured assets, etc.

SBV's Governor Le Minh Hung, when mentioning about restructuring, told the writer that he would carry out publically, transparently, and fairly. That is what the public is expecting from the entire banking system during the process of restructuring and reform, in which Sacombank is a typical case.

**Director jobs in banking sector may receive 500m dong monthly salary**

03/Apr/2017 Intelliasia | Vnexpress

Adecco Vietnam has recently released 2017 Salary Report of seven groups of sectors including finance - banking, information technology, sales - marketing - events, engineering, medical science, administration - human resource, and legal.

In each group of sector, the survey unit has made fairly detailed statistics of salary, experience requirements as well as job descriptions for a wide range of positions from staff, senior personnel to departmental managers, directors.

As per this statistics, the leadership position of the banking sector has the highest salary among seven industry groups. In particular, the director position has the salary ranging at 100-500 million dong per month depending on each segment as well as seniority.

Particularly, those with 20 years of experience and a master degree or above, holding the position of director of Corporate Clients in a bank may receive up to 500 million dong monthly salary. In retail segment, the salary is lower, about 360 million dong.

The report also describes in detail the work of this personnel group in banks, such as managing the overall division, strategy development, improving competitiveness, setting development goals and evaluating periodic performance.

However, for those who receive the above-mentioned salary, the years of experience usually fluctuate around 15 to 25 years.

The survey also provides the salary of about more than 40 different managerial positions in the banking sector, including positions whose salary is only about 7.5 million dong per month. However, compared to the general level, the salary level in the banking sector is still higher than other areas surveyed.

In other occupations, head of department positions often have the salary fluctuating around 100 million dong per month.

The research unit does not indicate the scale of the survey, but according to Adecco, the study is based on data from customers and candidates that the unit received during the recruitment consultancy process for partners.

"The report reflects the typical salary for each job based on positions, experience, qualifications and a few other indicators. This is not a fixed figure for the entire labour market because it depends on the scale of businesses and the welfare of each unit", said Adecco.

Adecco Group is based in Switzerland with branches in more than 60 countries and territories. This 55-year-old human resource service provider is also named in Fortune Global 500.

**Vietinbank celebrates five years in Laos**

03/Apr/2017 Intelliasia | VNA

VietinBank Laos, an affiliate of the Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank), marked its five-year operation in Laos at an event on March 31.
Speaking at the event, VietinBank Laos general director Le Quoc Nam expressed his gratitude for the support from both governments for the bank's operation since 2012.

He noted that starting with 22 million USD of charter capital and 17 members of staff, the VietinBank Laos has grown into the second biggest Vietnamese bank in Laos. He reported that the bank's asset was valued at nearly 222 million USD in 2016 and total outstanding debt reached 158 million USD while mobilised capital hit 157 million USD. Vietinbank Laos recorded profit for five consecutive years and had no bad debt.

The bank has granted approximately 900,000 USD to local social welfare and charitable activities.

The general director said the bank aims to become the best Vietnamese bank in Laos to contribute further to Laos's national construction cause and the Vietnam-Laos special friendship.

Lao deputy prime minister and Finance minister Somdy Douangdy lauded the VietinBank Laos' performance and contributions to the local socio-economic development in the past five years.

He said the bank has adhered to the country's regulations, created jobs for locals, and actively engaged in social welfare activities, praising it as a trade-investment bridge connecting Vietnamese and Lao businesses.

Deputy Governor of the State Bank of Vietnam Dao Minh Tu said the robust growth of the bank also reflects the effective cooperation between Vietnam and Laos.

At the ceremony, the State bank of Laos presented a certificate of merit to the VietinBank Laos for its significant contributions to the local socio-economic development.

Reference exchange rate up 7 VND

04/Apr/2017 Intellasia | VNA

The State Bank of Vietnam set the reference VND/USD exchange rate at 22,288 VND/USD on April 4, up 7 VND from the day ago.

With the current +/- 3 percent VND/USD trading band, the ceiling exchange rate is 22,956 VND per USD and the floor rate is 21,620 VND per USD.

In the opening hours, commercial banks' rates saw slight reduction.

Vietcombank listed the buying rate at 22,680 VND/USD and the selling rate at 22,750 VND/USD, down 30 VND from the previous day.

At Techcombank, the buying rate was 22,660 VND per USD (down 50 VND) and the selling rate was 22,760 VND per USD (down 40 VND).

Vietinbank offered its buying and selling rates at 22,670 VND and 22,750 VND, per USD, down 30 VND from April 3.

Exchange rate: hard work for central bank this year

04/Apr/2017 Intellasia | VNS

Due to developments in both domestic and international economic sectors during the first quarter of 2017, the exchange rate is considered the most unpredictable factor influencing the monetary market in 2017, online finance newspaper cafef.vn reported.

According to experts, while the demand for foreign currency seems to increase, the currency supply tends to decrease. This is expected to pressure the exchange rate.

Statistics from the general Department of Customs indicated that the country's trade deficit has reached $1.8 billion from early this year through March 15, 2017, compared with a trade surplus of nearly $1 billion in the same period of 2016. The main reason is the strong increase in the demand for imported machinery and equipment, due to stronger economic growth in 2017.

The exchange rate has also been affected by the US Federal Reserve (Fed) interest rate hike. The Fed decided to increase interest rates by 0.25 per cent on March 16, 2017. This was the second increase in the last three months. At the same time, the Fed signaled the possibility of there being two or three more interest rate hikes in 2017.

Rising interest rates also mean that the cost of using US dollars is increasing, and both global Foreign Direct Investment (FDI) and Foreign Indirect Investment (FII) flows will tend to decline and return to the US. This is also the economic strategy under President Donald Trump, in which he wants those American businesses investing overseas to return to the USA.
Experts, therefore, forecast that the State Bank of Vietnam is unlikely to be able to purchase as large amounts of foreign currency as in 2016. Last year, the central bank bought a record high $10 billion in foreign currency.

Also, pressure on the exchange rate is likely to come from higher inflation this year.

After the record low price drop in 2015, the prices of basic commodities rebounded significantly in 2016, and in the early months of 2017. In particular, oil prices increased by 22 per cent, while rubber and steel prices also rose by 53 per cent and 71 per cent, respectively. Therefore, there remains a risk of having a large trade deficit, as Vietnam's economy heavily depends upon both imports and exports.

In addition, the roadmap for adjusting price hike for essential commodities managed by the State, such as health services, fresh water and electricity, will be forced to be implemented in 2017, after repeated postponements.

The pressure caused by inflation comes from both inside and outside the economy. Hence, it is a challenge to control the average inflation rate below 4 per cent, as targeted by the government. The high inflation rate will lead to a corresponding increase in deposit interest rates. This movement will directly affect the psychology of the public and businesses, as they tend to hoard foreign currency against the downward movement of the đồng.

However, with record high foreign exchange reserves of above $40 billion, and the flexible central reference exchange rate management being currently applied, it is expected that the exchange rate will still be controlled and adjusted according to market signals, while the shocks suffered by the exchange rate in the past will not be repeated.

ANZ has also forecast that the đồng would be devalued by only 2 to 3 per cent against the US dollar this year.


Most banks in Vietnam expect profits up, bad debts stable this year

04/Apr/2017 Intellasia | Vnexpress

Bad debt in Q2 and in the whole of this year would stay unchanged or dip slightly from Q1.

About 90 percent of financial institutions operating in Vietnam are expected to reap higher pre-tax profit in 2017, while they could control or reduce bad debts this year, a State Bank of Vietnam (SBV) survey has found.

Most of the respondents in the survey, conducted between February 25 and March 9, expected their bad debt to loan ratio in the second quarter and for the whole of 2017 would stay unchanged or below that in the first three months.

Based on SBV data, bad debts in Vietnamese banks, mostly incurred due to a slowdown in the country's real estate market in the early 2010s, have been cut to 2.46 percent of loans at the end of November, 2016, from 4.83 percent in December 2014, one year after it set up an institution to deal with toxic loans, the Vietnam Asset Management Corp.

The survey on business trends for the April-June period, conducted by SBV's Monetary Forecasting and Statistics Department, has targeted all Vietnamese banks and foreign bank branches in the country and has a response rate of nearly 90 percent.

Banks expected the annual credit growth to slow to 17.23 percent this year, from the expansion of 18.25 percent in 2016, while deposits in 2017 could grow 16.23 percent from last year, below the 16.76 percent expectation in the December 2016 survey, the SBV said.

Half of the lenders would keep their fees unchanged for the whole of 2017, while 20 percent of them said they planned slight decrease and another 30 percent said they expected a small rise.

Banks expressed confidence in the government's effort to improve business climate and three quarters of the surveyed institutions look forward to a better business situation in the second quarter, while eight in 10 of those believe they can achieve better results in the whole year.

e.vnexpress.net/news/business/most-banks-in-vietnam-expect-profits-up-bad-debts-stable-this-year-3564791.html

Mobilisation may grow slower than lending in 2017

04/Apr/2017 Intellasiapia Tri Thuc Tre

The Department of Monetary Statistics and Forecasting under the State Bank of Vietnam (SBV) has released the results of the survey on business trends in the second quarter of 2017 for credit institutions
(CIs) and foreign bank branches in Vietnam (collectively referred to as CIs). The survey was conducted from February 25th 2017 to March 9th 2017 on all CIs with a response rate of 89.5 percent.

According to the result, the liquidity of the banking system remained abundant in the first quarter of 2017 for both VND and foreign currencies, and is expected to maintain positive status in the second quarter and the remaining of 2017. Compared to the fourth quarter of 2016, the liquidity in the first quarter was more excessive than the expectation of CIs at the survey implemented in December 2016.

CIs' prediction on liquidity issue in 2017 is fairly consistent with the previous survey results. The recent survey showed that most CIs expected the liquidity of the banking system continue to be positive for both VND and foreign currencies.

The abundant liquidity is the basis for stabilising mobilisation interest rates, stabilising input costs in order to maintain the profit margin and create resources for the bad debt settlement in the near future. This is one of the prerequisite conditions to maintain the stability of lending interest rates to support enterprises boosting production and business activities, contributing to achieve the economic growth target of 6.7 percent in 2017.

CIs assessed the current level of risks as more positive compared to the previous quarter. In particular, 72.8 percent of CIs saw the overall risk of customer groups at normal level, 13 percent of CIs rated the risk at low level, and 14.1 percent of CIs said that the risk remains high (respectively being 69 percent - 16 percent -15 percent in the previous quarter). Predicting the future, 59-67 percent of CIs expected that the risk level will be stable in the second quarter of 2017 and throughout the year, while 7.3 percent of CIs hoped to see reduction in risk level in similar period.

The majority of CIs said that the ratio of bad debts on outstanding loans of their units in the first quarter of 2017 remained unchanged or declined compared to the fourth quarter of 2016. They expected this ratio remain the same or further decrease in the second quarter of 2017 and throughout the year.

Most of CIs hoped that the interest rate level will be kept stable in 2017, while their expectation of mobilisation and lending changed. The capital mobilisation of the entire banking system is expected to growth by 5.58 percent in the second quarter of 2017 and 16.23 percent in 2017, slightly down compared to the 16.67 percent recorded in the previous survey in late December 2016. Meanwhile, the outstanding credit growth of the banking system is forecasted to growth by 5.81 percent in the second quarter of 2017 compared to the previous quarter and 17.23 percent in 2017, lower than the expected level of 20.9 percent and realised growth rate of 18.25 percent recorded in the same period of 2016.

Foreign banks change tactics in domestic market

Recently, Vietnam financial market has received another bank with 100 percent foreign capital when the State Bank of Vietnam (SBV) gave a preliminary approval for the United Overseas Bank (UOB) to set up a subsidiary. This is also the first Singaporean bank to get this approval.

Earlier, there was information that UOB was likely to acquire GPBank to take ownership and accelerate the restructuring of this bank. Though the policy was approved, the internal shareholders did not reach a consensus, so the deal failed to become a reality.

Along with that, the 20 percent investment of UOB at SouthernBank in many previous years was not effective. Even, the ownership rate decreased after Sacombank completed the merger of SouthernBank at the end of 2016.

With this development, some people said, UOB was no longer interested in the capital contribution and promotion of business activities in local banks. Instead, it moved to promote, asking to establish a 100 percent foreign owned bank.

Deputy Chair cum CEO of UOB Wee Ee Cheong said the bank is expected to continue cooperating with local finance departments to contribute to the development and integration process as well as to support the financial operation of Vietnamese businesses and people, especially when the Group was allowed to set up a subsidiary here.

As such, UOB becomes the ninth 100 percent foreign-owned bank in Vietnam financial market after such names as Worri Bank (South Korea); Public Bank Berhad (Malaysia); ANZ Vietnam; Hong Leong Vietnam; HSBC Vietnam; Shinhan Vietnam, Standard Chartered Vietnam and CIMB Bank Berhad.

Earlier, in September 2016, the State Bank allowed the establishment of a 100 percent foreign owned bank CIMB Bank Berhad in Vietnam with the chartered capital of 3.203 trillion dong. This is the second 100 percent-owned Malaysian bank licensed to be established. Then, by November 2016, the subsidiary bank Woori Bank Vietnam was officially launched.
Lee Kwang Goo, CEO of Woori said Woori Vietnam will move one step closer to Vietnam market, helping customers trust and feel secured using the bank's services.

The presence of wholly foreign owned banks in Vietnam financial market is creating competitive pressures with local banks and this pressure will be stronger when in the near future, the number of wholly-owned foreign banks is growing.

Accordingly, the State Bank approved in principle for Citi Group (the US) to open a bank in Vietnam or E.Sun (Taiwan), after opening in Dong Nai province, to develop into a wholly foreign-owned bank if it is eligible in the future.

As per financial and monetary experts, the "landing" of 100 percent foreign owned banks into Vietnam market not only improves the competitiveness and transparency of the market but also changes the revenue structure of domestic banks.

In fact, given the advantage of extensive network along with extensive experience in the international market, foreign banks entering Vietnam have rapidly expanded to consumer and retail services including HSBC and Standard Chartered. Domestic banks are now facing restructuring pressures and will need to make more efforts to compete.

Dr Nguyen Tri Hieu, a bank expert said, if there is no preparation and no investment in technology, domestic banks will lose in this competition.

In fact, domestic banks have planned to expand to foreign customers but that is not easy because foreign bank branches in Vietnam hold almost all FDI businesses and are reaching out to domestic customers.

For individual customer group, foreign banks "attack" by card service, consumer credit, house purchase, etc. through mobile banking and internet banking. Therefore, the lack of a nationwide network like local bank is not a barrier for them.

Approved capital raising plans of small banks see no progress

04/Apr/2017 Intellasia| Bao Dau Tu

In every season of the Annual general Meeting (AGM), leaders of numerous small banks propose to increase charter capital. However, the charter capital of some banks remain at minimum level after four AGMs.

One of the issues received the most shareholders' attention of Saigon Commercial Joint Stock Bank for Industry and Trade of Vietnam (Saigonbank) at the coming AGM to be held in April 2017 is to increase capital. In 2014 and 2015, the bank planned to raise its charter capital to four trillion dong and the plan has since then been annually approved by shareholders. However, so far it is yet to be realised. A leader of the State Bank of Vietnam (SBV) has even reminded Saigonbank to have solutions attached to the capital raising plan.

This situation is similar at many small-scaled joint stock banks such as Nam A Commercial Joint Stock Bank (NamABank) and Viet A Commercial Joint Stock Bank (VietABank), etc. According to statistics of SBV, there are nine joint stock banks in the system having minimum or slightly above minimum charter capital, including Kien Long Commercial Joint Stock Bank (Kienlongbank), Saigonbank, VietABank, NamABank, National Citizen Commercial Joint Stock Bank (NCB), Vietnam Thuong Tin Commercial Joint Stock Bank (VietBank), Bao Viet Commercial Joint Stock Bank (BaoVietBank), Viet Capital Joint Stock Commercial Bank (VietCapitalBank), and Petrolimex Group Commercial Joint Stock Bank (PGBank).

Less effective business performance, limited competitive advantage, difficulties in finding strategic partners, and small profits, etc. are the reasons leading to the hesitance of new and existing shareholders of banks in purchasing shares for raising capital. Particularly, for existing shareholders, the capital raising statement of the Board of directors has become a tiresomeness as the longer the capital increasing period, the more time shareholders are eager for their cash dividend payment.

Besides the increase of charter capital, one of the hot contents of the AGMs of banks over the past year is stock listing, in order to meet the provisions of Circular 180/2015/TT-BTC of the Ministry of Finance. The circular clearly stipulated that all unlisted public companies established before January 1st 2016 shall register trading on the Unlisted Public Company Market (UPCoM) within one year from January 1st 2016.

In addition to the nine banks which are listed on the stock market and the Vietnam International Commercial Joint Stock Bank which is listed on the UPCoM, many other banks have recently announced to get their shares listed soon, such as Lien Viet Post Commercial Joint Stock Bank (LienVietPostBank), Vietnam Technological and Commercial Joint Stock Bank (Techcombank), Maritime Commercial Joint Stock Bank (MaritimeBank), Orient Commercial Joint Stock Bank, Vietnam Prosperity Commercial Joint
Stock Bank (VPBank), and Tien Phong Commercial Joint Stock Bank (TPBank), etc. However, the majority of small banks with three trillion dong charter capital remain silent. This is understandable because the share prices of small banks on the OTC are very low, ranging around 3,000 - 5,000 dong per share, and there are very few buyers. If getting listed on the UPCoM, the target to raise capital of these banks can hardly be completed, while their limitations will be revealed as they have to publish their health.

According to Dr Nguyen Van Thuan from the Hochiminh city Marketing and Finance University, a time limit should be set for banks to conduct their listing. The listing does not only serve the capital raising goal but also force bankers to be more responsible for the operation of their banks, helping the management be more transparent thanks to the additional monitoring channel from the society.

Vietnamese banks start earning profits from abroad

04/Apr/2017 Intellasia| DTCK

So far, Vietinbank has been present in Lao market for five years. From a bank branch with the chartered capital of $22 million, 17 employees and four departments, Vietinbank - Lao branch has been upgraded to a wholly owned subsidiary with the chartered capital of $50 million.

VietinBank - Lao branch now has one head office, one large-scale transaction office in Vientiane and one branch in Champasak province with nearly 90 employees and seven departments.

Le Quoc Nam, CEO of Vietinbank Laos said over the last five years, Vietinbank has always maintained high growth rate and is currently the Vietnamese bank with the second largest scale in the Lao market.

As of the end of 2016, the bank's total assets reached nearly $222 million, up 17 percent compared to 2015 and 435 percent from its inception (2012). The outstanding loans of VietinBank Laos at the end of 2016 were more than $158 million, up 13 percent year-on-year and 542 percent from the end of 2012. Credit quality is Tier 1 qualified debt and there is no bad debt.

Apart from Vietinbank, some domestic banks have also gradually reached out to the regional market. In 2016, after five years of presence in Laos, with the approval of the two countries' governments and the State Bank of Vietnam, the Central Bank of Laos, SHB officially opened a wholly-owned subsidiary i.e. Saigon-Hanoi Lao Limited Liability Company.

Vu Tuan Anh, CEO of SHB Laos said as of December 31, 2016 the total assets of SHB Laos hit more than $150 million, up 1.179 percent compared to the equity of more than $14 million when the branch was established in Laos on August 15, 2012.

The total mobilised capital stood at about $30 million; the outstanding loans were about $58 million. At the end of the fiscal year 2016, the pre-tax profits of SHB Laos increased nearly 140.36 percent.

Also in 2016, Vietcombank asked for shareholders' opinion in writing about the establishment of a wholly-owned subsidiary in Laos, headquartered in Vientiane. The initial chartered capital of the bank was $80 million. Vietcombank's Board of directors said the establishment of a fully-owned subsidiary in Laos is in line with the bank's strategy and its demand for expansion of operational location. It is expected that in 2017, Vietcombank Laos will officially be launched.

Apart from the Lao market, Vietcombank and VietinBank said they are going to promote the plan to set up a subsidiary in Cambodia.

Meanwhile, BIDV, after nearly six years operating as a representative office in Myanmar - the market that is considered to be very potential in the region, in early March, the bank was allowed to open a branch in this country.

Vietnam has now deeply integrated into the world economy, with the signing of a series of Free Trade Agreements (FTAs) and the participation in the Asean Economic Community (AEC). As per the commitment to join AEC, member countries will have to open all service sectors with the foreign ownership rate amounting to 70 percent. Besides, under Vietnam - EU Free Trade Agreement, banking sector is also the field that Vietnam commits to open up with the EU.

Therefore, to compete with large banks in the region and the world when market barriers are removed, local banks have no other way to be bigger. And the conquest of regional and international markets will help domestic banks become more active in integration.

Keith Pogson, senior partner, Asia-Pacific financial services at Ernst & Young said Vietnam needs 2-5 key banks with regional competitiveness. The former State Bank Governor Nguyen Van Binh also repeatedly emphasized the direction to develop 1-2 banks with regional scale. The target to become a regional bank has also been set up by Vietinbank and Vietcombank.
Deputy Governor of the State Bank of Vietnam Dao Minh Tu committed that the State Bank will support VietinBank and other domestic banks to carry out activities not only in Laos but also in other countries in the region.

Finance companies have extremely large personnel scale

Over the last two years, financial companies, especially those like FE Credit, Home Credit, HD Saison, etc. have had quite exciting activities in the market. With the trillion dong profit contributing to the mother bank each year, FE Credit has brought VPBank to become a leading bank in the group of commercial joint stock banks in terms of profits and made a series of other banks to lust.

Statistical data shows that the outstanding loan of the group of financial companies added up about 50 trillion dong, equal to less than 0.01 percent of the total outstanding loan of more than 5,500 trillion dong of the whole system of credit organisations. The capital mobilisation of this group is also very small, totalling about 40 trillion dong, equal to the mobilisation of a smallest bank in the system.

However, a noteworthy figure for this group of companies is personnel scale.

Statistics show that FE Credit alone has more than 15,000 employees, equal to the number of employees of Vietcombank and is higher than all other private joint stock banks, except for Sacombank.

Home Credit Vietnam has more than 10,000 employees, equal to VPBank's employees and more than the employees of Techcombank, Military Bank, VIB, etc.

HD Saigon Finance Company - a joint venture between HDBank's finance company with Japan's Credit Saison - also has more than 9,000 employees.

Prudential Finance Company gave no specific number of employees. However, based on the market share which is equal to HD Saison, the number of employees is also expected to be no less than a few thousand people.

As such, the group of finance companies that are leading the market has had the number of employees amounting to nearly 40,000 people - a huge figure. Other finance companies that have small market share and are newly established also have the number of employees amounting to several thousands of people.

As explained by a leader of a finance company, finance companies cannot make use of the network of branches like banks but have to work directly with customers at distribution points, therefore, the number of employees must be sufficient enough to cover important points of sales.

And not just the points of sale, finance companies have now set up consulting counters at businesses. Apart from cash loans, they also provide loans in electronics and motor vehicles sectors.

But the question is, why do finance companies have to recruit so many employees and whether labour costs "eat up" the revenue they create? The human resource training director at a large bank in the system analysed that the number of personnel in finance companies are really very crowded but the majority of them are collaborators but not official employees.

"Collaborators, even employees of finance companies are only allowed to enjoy a modest portion of salary. The rest depends on the sales commission so companies are not too concerned about the costs for employees", he said.

Referring to whether the large number of employees of finance companies affect banks' human resources as well as their retail operations or not when consumer lending trend is increasingly popular among retail banks, he said, there will have two trends of personnel movement.

Firstly, finance companies will attract good people from banks, and vice versa, good salesmen at finance companies will later join banks.

As for the competitiveness between finance companies and banks, he said, there is almost no significant impact as the proportion of consumer lending (unsecured) of banks is not too large. Moreover, the unsecured lending of these two groups is also different. Specifically, banks only lend employees with stable income while the customers of finance companies are substandard and the interest rates are higher.

The position of the aforementioned bank leader also coincides with the earlier assessments of experts that finance companies and banks would be difficult to compete directly with each other.

Two ministries sign regulation to support life insurance enterprises

The Ministry of Finance and Ministry of Industry and Trade signed on Friday a co-ordination regulation concerning life insurance product approval, contract registration and transaction conditions.
With this regulation, life insurance companies will only need to submit the product approval documents and contract registration with the Ministry of Finance, while not having to ask Ministry of Industry and Trade for approval as before.

"This helps businesses to reduce risks and about 20 days of waiting," said Tran Quoc Khanh, deputy minister of industry and trade. This also marks the first time the two ministries have co-ordinated regulations to reduce administrative procedures and support enterprises.


Bank customers most trust ‘word of mouth’ information

The Personal Finance Monitor (PFM) of Nielsen, which is carried out based on the level of awareness, consideration and brand recall, showed that only four out of eight surveyed banks having Brand Strength Index (BSI) in the developing zone, but it tends to decrease over the years.

According to Nielsen’s results, the ratio of customers using financial products is currently 60 percent, in which only 4 percent of customers on the market have personal income level in group A*, and the personal income of the majority of customers is in group B and C with ratio of respectively 20 percent and 44 percent.

The survey also pointed out that with the same level of income, young consumers now tend to spend 19 percent-35 percent more than other age groups. This means that the age, occupation, lifestyle and education have certain impact on the consumption behaviour of each individual. Thus, understanding each customer group based on multi-dimensional information should be taken into account.

Furthermore, to attract target groups when there are products suitable to their needs, marketing and communication are very important and necessary. The PFM data of Nielsen showed that on average, customers can identify up to 10 banking brands but they can only name two brands without help.

Notably, when surveying the level of trust in the sources of information received by customers, "word of mouth" from relatives is still the most trusted information of customers, while the level of trust in the information provided on banks' official websites suddenly dropped from 44 percent in the third quarter of 2016 to 25 percent in the fourth quarter of 2016.

To reflect the efficiency of banks' marketing and communications (in relation to what banks promise), Nielsen used Brand Equity Index (BEI), which is based on the levels of interest, referral and willingness to pay high prices. With a scale of 0 to 10, the results showed that only four out of the surveyed banks in two major cities having growing BSI (from 1-3 points of the 10-point scale).

Meanwhile, Relative Strength Index (RSI - What customers experience) of the banking sector is relatively high (over 7 out of 10) compared to other sectors. This is an opportunity for banks to further increase customer satisfaction and acceleration communications to reinforce their brand strength.

Nielsen is one of the global leaders in information and measurement that enable companies to understand consumers and consumer behaviour. Nielsen measures and tracks what consumer view (programmes and advertisements) and what customers buy (types, brands, and products) globally and locally.

VIB posts 7pct growth in pre-tax profit

Last year was quite a successful year for VIB as it achieved most of the targets set during its general shareholders' meeting, the bank said.

In 2016, VIB's total assets rose sharply to VND104.5 trillion, surging 24 per cent compared to 2015, and 16 per cent higher than the target set. The bank's deposits also recorded an annual growth of 11 per cent to touch VND59.26 trillion. Its credit growth rate was 24.7 per cent, while lending balance reached VND60.18 trillion, up 26 per cent year-on-year.

As per the latest data, VIB has managed to balance sources of deposit to meet credit growth demands, considering the State Bank of Vietnam's (SBV) tightly controlled liquidity ratios. The bank's short-term deposit to medium- and long-term loans ratio was 47.1 per cent, while its loan to deposit ratio was 65.6 per cent, much lower than the maximum 80 per cent limit set by the central bank.

In 2016, VIB took various steps to strengthen and improve its early credit risk warning and credit risk identifying systems.

Along with the implementation of credit quality management measures, the bank also focused on dealing with its old non-performing loans (NPL). The bank's NPL ratio decreased to 1.5 per cent last year (excluding bad debts bought from Vietnam Asset Management Co, or VAMC) from 2.07 per cent in 2015.
As of December 31, 2016, the bank's NPL ratio (including bad debts bought from VAMC) was 2.58 per cent, while the VAMC lending balance reduced by 30 per cent.

VIB and Vietcombank are the first two banks to have bought bad debts from VAMC to help speed up the bad debts handling process.

VIB's Basel II project is in its final preparatory phase for implementation, in line with the SBV's deadline, the bank said.

http://bizhub.vn/banking/vib-posts-7-growth-in-pre-tax-profit_285216.html

VPBank, Techcombank expect to increase capital

VPBank and Techcombank will submit a proposal to increase capital at their annual shareholder meetings this month.

The meetings of VPBank and Techcombank are due on April 10 and April 15, respectively.

Techcombank expects to increase charter capital from nearly VND8.88 trillion (US$391 million) to VND13.88 trillion.

The bank's stake will be offered for sale to existing shareholders. The sale is expected in the second or third quarter of this year. Share price will be decided by the bank's board of directors, but it must be higher than the face value.

Techcombank this year plans to increase total assets to nearly VND280 trillion and earn pre-tax profit of more than VND5 trillion, up 26 per cent against 2016.

VPBank, meanwhile, hasn't released its detailed capital raising plan yet. The State Bank of Vietnam recently approved VPBank's proposal to increase charter capital from VND9.18 trillion to VND10.77 trillion through the issue of bonus shares and by using profit left from the previous years.

http://bizhub.vn/banking/vpbank-techcombank-expect-to-increase-capital_285245.html

Corporate

VN startup outlook continues to shine

Despite a drop in total dealflow, 2016 was a vibrant investment year for Vietnamese startups, according to a recent Topica Founder Institute (TFI) report.

Deal count was down 25 per cent year-on-year from 67 to 50 last year. Meanwhile, startup deal value set a new record with $205 million last year, up 46 per cent year-on-year from $137 million.

"The market is fresh and still full of opportunities", said TFI in its report.

Most of the dealflow came from early stage funding (Seed and Series A), with some big deals going to F88 (Mekong Capital - $10 million) and Goi! (Capricorn - $9.1 million).

Of these, nine TFI graduates got funding, accounting for nearly 30 per cent of all early stage funding deals in Vietnam (Seed and Series A) in 2016.

The sweet spot continued to be medium-sized investments (less than $5 million), a trend that began in 2015.

The breakout sector was Fintech, with more than $129 million poured in. Notable deals went to Payoo, E-pay, Momo, and F88.

E-commerce was still the most active sector with 12 deals closed. However, e-commerce deals' combined value was only $34.7 million, one fourth of Fintech deal value.

Edtech also grew strongly last year, topping $20 million with six deals. Meanwhile, mediatech suffered a slow-down with only four deals and $4 million in total, reduced significantly from 15 deals and $15 million in 2015.

The report is prepared annually by Topica Founder Institute, a top-five accelerator in Southeast Asia. Founded in 2011, TFI has successfully incubated five batches of 60 company graduates, with a total of $20 million funding, and all values at $100 million combined. Some notable TFI alumni are 3S, Appota, Beeketing, Giaytot, Kyna, Monkey Junior, Meete, Hoayeuthuong, and Atadi.

Vietnam poses promises for fintech startups

Vietnam's population of 90 million, Vietnam promises to be a potential market for fintech startups. Vietnam's population is young and 80 per cent of the nation's population is expected to use credit cards by 2020.
Those conditions are quite promising for the future development of local fintech startups. Major names among the new fintech generation include Money Lover, BankGo and F88.

The development of local fintech startups has drawn attention from overseas investors, for example, the Singapore-based fintech investment fund FinLab.

FinLab continues to closely watch the development of FinTech startups in Vietnam.

Vietnamese startups had been developing strongly, FinLab's managing director Felix Tan told the e-paper Vnexpress in a recent event held by FinLab and the United Overseas Bank in early March. The investment fund noticed some interesting projects, proving that local fintech startups were entering the stage of rapid development.

However, developers of local fintech projects had been unable to convince potential investors that the projects would truly solve current issues, Felix said.

To develop further, Vietnamese fintech startups would have to invest strongly in their marketing strategies to promote the projects to customers and investors, he said.


Vietnamese airlines rowing over floor, ceiling rates for domestic services

Vietnamese airlines did not see eye to eye with one another when responding to a Ministry of Transport's plan to cap airfares for domestic services.

The transport ministry, through the Civil Aviation Authority of Vietnam, is soliciting feedback on a plan to lift the ceiling prices for domestic routes by 7-16 percent to deal with the rising jet fuel costs.

According to the proposed pricing scheme, the maximum price for the Hanoi-HCM City route will be VND3.65 million (US$163) instead of the current VND3.2 million (US$143).

Flag carrier Vietnam Airlines and two budget airlines, Vietjet and Jetstar Pacific Airlines, have all provided feedback to the plan, with one suggesting scrapping the ceiling price, whereas the other two said a floor rate for airfares should also be stipulated to ensure fair competition.

Ceiling vs. floor rates

Low-cost carrier Vietjet said the ceiling rate for airfare should be removed as it is no longer necessary and appropriate for the current rapid growing and highly competitive aviation market in Vietnam.

"The government should only manage and oversee the service quality of airlines, rather than capping their domestic airfares," Vietjet said in a statement.

"The state should respect the healthy competition principles as per the market-based mechanism all airlines are following."

According to Vietjet, once the ceiling airfare is scrapped, carriers will be able to upgrade and improve their service quality to better serve passengers.

In the meantime, Jetstar Pacific Airlines supported the idea of raising the ceiling price and at the same time suggested that a floor price for domestic airfares should also be put in place to "stop carriers from competing by cheap tickets."

Jetstar said local carriers have had to repeatedly cut airfares to stay competitive in the last few years, and at some points "offered tickets that were even lower than their cost prices and cheaper than tickets of trains or passenger buses."

The carrier underlined that this has put pressure on the aviation infrastructure and "affected the business effectiveness and sustainable development of airlines."

The floor price should be 29-34 percent of the ceiling price, Jetstar suggested.

If the floor price is applied, the minimum ticket for the Hanoi - HCM City service will be around VND1.5 million (US$67) per turn for Vietnam Airlines passengers, and VND1.1 million (US$49) for those flying with Jetstar, according to Vietnamnet.

The Hanoi-based newswire said Vietjet only supported raising or scrapping the airfare cap and strongly opposed to the floor price idea.

The no-frills carrier said applying a floor price for air tickets goes against both the Vietnamese law on competition and international practice, as no country is currently imposing such a price control, according to Vietnamnet.

Vietjet said some 90 percent of Vietnamese population have yet to fly, mostly because they cannot afford a ticket. The floor price for airfares, once imposed, will prevent the chance to access air travel for these people even harder.

Do what's good for flyers
While the airlines have opposite opinions on the floor and ceiling for airfares, most experts interviewed by Tuoi Tre (Youth) newspaper said scrapping the cap and imposing the floor rates are both unnecessary. Nguyen Tien Thoa, general secretary of the Vietnam Valuation Association, said local airlines are in fact selling tickets at only 85 percent of the allowed rates, so it is not necessary to remove the price cap. "When there is no price cap, airlines can freely increase airfares, causing disadvantages for consumers," Thoa said.
Ngo Tri Long, a pricing expert, also said flyers will suffer the biggest toll should the ceiling airfares are removed.
"The airline with the biggest market share may hike its airfares, and other carriers have no choice but to follow suit, and ultimately it is passengers who have to pay more," he elaborated.
Thoa added that without the price floor airlines have to try to cut costs to be able to offer more affordable airfares, which is good for passengers. "If a minimum airfare is stipulated, carriers will lose the motivation to compete and cut costs," he said. Thoa turned down concerns that the lack of an airfare price floor will lead to unhealthy competition, where as an airline may sell below cost price to manipulate the market. "Don't forget that we have the law on competition to oversee the market," he said. "You may cut your airfares but if you violate the law, you will be immediately sanctioned."

http://english.vov.vn/economy/vietnamese-airlines-rowing-over-floor-ceiling-rates-for-domestic-services-346787.vov

Clean energy - much potential, but lack pricing mechanism

03/Apr/2017 Intellasia | VIR
Electricity of Vietnam (EVN) has recently proposed putting forth a mechanism for auctions of renewable energy projects from 2020 onwards, to give impetus to the development of this industry.

Nearly 3,000MW of solar power
EVN and its subsidiaries are rising as one big investor in the field of renewable energy. EVN and its affiliates have been implementing the first preparatory steps to invest in 25 solar power projects with a total capacity of 2,846MW.

Among these, parent company EVN will carry out four solar power projects, with a total capacity of 575 MW, including Phuoc Thai (200MW), Song Binh (200MW), Tri An (126MW), and Se San 4 (49MW).

Currently, these projects are awaiting approval from the Ministry of Industry and Trade and the prime minister to be added to Power Development Plan VII issued on July 21, 2011.

The other five member companies will take charge of the remaining 17 projects and determine the construction location where appropriate.

Specifically, Power Generation Corporation No.1 will be responsible for Dong Nai 4 Solar Power Project's (50MW) lake-based construction. Power Generation Corporation No. 2 has four projects with the total capacity of 309MW.

Power Generation Corporation No.3 has seven projects, with the total capacity of 1,279MW.
Southern Power Corporation implements two projects, with the total capacity of approximately 4.2 MW in Phu Quy and Con Dao Island provinces and Central Power Corporation has three projects, with the total capacity of 57.3MW.

Not only solar power, EVN is also operating wind power plants, including the 6MW Phu Quy Wind Farm (formerly invested by Vietnam National Oil and Gas Group aka PetroVietnam), and has stocks in Thuan Binh Wind Power Joint Stock Company, which operates the 24MW Phu Lac Wind Power project.

EVN itself is continuing research to develop four other solar energy projects with a total capacity of 570MW. EVN subsidiaries are also making investments into some wind power projects in the South Central Vietnam and Central Highlands.

Nevertheless, there is no specific date for many of these projects to be connected to the national electricity grid.

Pricing problems
Dr Nguyen Huy Hoach, deputy general secretary and chief of staff of Vietnam Clean Energies Association, said that nationwide there are 30 local and foreign investors developing solar power projects of 20-300 MV capacity.
"Though the demand is big, investors are still struggling when investing in solar power due to high investment costs and the lack of a price mechanism for this kind of energy," said Hoach.
Currently, the price of wind power, according to Decision No.78/2011/QD-TTg, is 7.8 cent per kWh, of which the government subsidises 1 cent per kWh.

Up to now, nine projects have signed power purchase agreements with EVN, with a total capacity of 403.9MW, of which Binh Thuan Wind Power Plant No. 1 (30MW), Bac Lieu Offshore Wind Farm (99MW), Phu Quy Wind Farm (6MW), and Phu Lac 1 Wind Power Plant (24MW) have been put into commercial operation.

However, according to Binh Thuan Wind Energy Association, quite a few enterprises have registered to carry out wind power projects in Vietnam, registering a total capacity of 5,700MW. However, due to the low purchasing price of wind power in Vietnam, it is difficult to prove the feasibility of projects for banks to make credit assessments.

There is one exception from the 7.8 cent per kWh pricing: Bac Lieu Offshore Wind Farm, the only sea-based project in Vietnam, sells wind power for 9.8 cent per kWh.

However, this price is still considered low compared to Thailand's 20 cent per kWh, the Philippines' 29 cent per kWh, and Japan's 30 cent per kWh.

Despite it being a clean and promising energy alternative and the heavy attention wind power receives from investors, no investment stimulating mechanism has been promulgated yet.


Lower fossil fuel output slows Vietnam's economy - govt
03/Apr/2017 Intellasia | Vnexpress

Adverse weather and slower growth in the processing and manufacturing sectors have also been blamed for curbing first-quarter growth.

Falling production of crude oil, natural gas and coal is the main reason behind Vietnam's slowest first quarter economic growth in three years, a government official was quoted on Friday as saying.

The country's gross domestic product (GDP) from January-March rose an estimated 5.1 percent compared to the same period last year, the slowest pace to be recorded in the first quarter since 2014, when it rose 5.06 percent, the government's general Statistical Office (GSO) said on Wednesday.

"The biggest reason is that Vietnam is pushing economic reforms and switching its growth model from mainly exploiting natural resources to focusing on sectors that do not rely on exploitation," Ha Quang Tuyen, head of the GSO's National Accounts, told government online newspaper Bao Chinh Phu.

Vietnam has set a target of pumping only 12.28 million tonnes (247,000 barrels per day) of crude oil this year, down 19.2 percent from 2016.

During the first quarter, crude oil output fell 15 percent from the same period last year to an estimated 3.44 million tonnes; natural gas dropped 8.9 percent to 2.52 billion cubic meters and coal fell 5.6 percent to 9.69 million tonnes, government data showed.

"This trend is necessary for sustainable economic development," he said in an interview with the news site.

Drought and salination that hit rice production in the Mekong Delta last year and lower growth in the processing and manufacturing sectors have also contributed to slowing the economy, Tuyen said.

Vietnam's economy is forecast to expand at an average of 6.3 percent from 2017-2019, "with all categories of demand buoyed by strong foreign direct investment and manufacturing exports", the World Bank said in a January report.


Tan Son Nhat expansion project draws in investors
03/Apr/2017 Intellasia | VIR

The project to expand T3 and T4 terminals of Tan Son Nhat International Airport has lured many big investors from all over the country.

Big names signing up for competition

Billionaire Johnathan Hanh Nguyen's Imex Pan Pacific Group (IPP), which holds a chain of duty free shops at airports, was the latest name joining the competition to be an investor of the Tan Son Nhat expansion project.

In its proposal submitted to the Ministry of Transport (MoT) last week, IPP expressed the wish to team up with Airport Corporation of Vietnam (ACV) to construct the two terminals T3 and T4, according to the approved planning.
IPP has been a partner of ACV for many years. Besides being a major shareholder and strategic investor of Southern Airports Services Joint Stock Company (SASCO) and a service company in Tan Son Nhat International Airport, IPP also operates a chain of duty free shops in numerous domestic airports. Since 2016, IPP has become directly involved in the aviation infrastructure sector by becoming the biggest shareholder of Cam Ranh International Terminal Joint Stock Company. This project aims to construct a new terminal, which would handle four to eight million passengers annually, with the total investment of VND3.735 trillion ($164 billion).

With strong financial ability and management experience in operating airports, IPP’s chair Nguyen said that if the company's proposal is approved by the MoT, they will work with ACV to carry out and complete the T3 and T4 terminals within 18 months since the construction started.

"IPP and ACV will soon draft a plan and submit it to the ministry for approval to start the construction," Nguyen Hanh said. IPP has been paying avid attention to this project ever since it was put forward to gather opinion from related government agencies. However, IPP is not the only investor interested.

According to a source of VIR, at the beginning of March 2017, Atad Steel Structure Corporation, affiliated with Nam Viet A Construction Investment and Infrastructure Development Joint Stock Company, submitted a proposal to the MoT to be selected as the/an investor of the T3 and T4 terminals. Earlier, Vietjet was the first one applying for the task in January 2017. The biggest private airline in Vietnam asked for the right to construct the T4 terminal, which would handle 10 million passengers annually, on the 21-hectare area next to the apron. Besides the T4 terminal, Vietjet also asked for approval for the VND3.048 trillion ($133 million) project on aviation technology and servicing complex on a 30-hectare area of Tan Son Nhat International Airport. This complex would include a cargo terminal with a capacity of 300,000 tonnes per year, an aircraft repair and maintenance zone, and an airplane meal production area.

Opening up for the private sector

At the beginning of March 2017, Civil Aviation Authority of Vietnam (CAAV) submitted to MoT a detailed plan to adjust Tan Son Nhat International Airport.

According to the planning of civil aviation areas, the T3 and T4 terminals will each handle 10 million passengers annually, which will raise the airport's designed capacity to 45-48 million passengers per annum. This plan also included a proposal to construct a new technical service area, a hangar, and an apron in front of the hangar, located on a 30-hectare area of the airport. Moreover, CAAV suggested that the technical service area include an aircraft repair and maintenance area, warehouses, food processing area, and gathering area, among other functional facilities, and be located on the ten-hectare land plot in the southeast area of the airport.

For the traffic planning, 18E road and Hoang Hoa Tham Street, the linkages between Cong Hoa Street and the T4 and T3 terminals, will be expanded.

According to CAAV, Tan Son Nhat Airport currently has a total area of 574.44 hectares. However, by 2030, it will grow to reach 621.20 hectares (excluding military land plots). Of the total, CAAV will manage 435.48 hectares of airfields and 121.46 hectares of land plots. In addition, the areas co-managed by CAAV and the military will make up 17.5 hectares. There will be a 26.9-hectare area managed by the military, which is now temporarily managed by CAAV to use as the apron; and finally, the areas for the T3 and T4 terminals are 19.86 hectares.

The total investment for the project is VND13,500 trillion ($591 million), which was raised from many different sources, consisting of state capital for the constructions inside the airfields, and funding from private enterprises, organisations or individuals for other construction works.

"Due to the urgency of the project, which must be completed within two years, CAAV has asked for MoT’s permission to use special methods to raise capital from these private sources," said Lai Xuan Thanh, head of CAAV.

Accordingly, ACV intends to spend its development fund in advance to start the construction and catch up with the schedule.

It will be reimbursed at a later time. MoT will report to the government about ACV's reimbursement in the plan on additional public investments in 2016-2020 (adding the expenditure to the investment portfolio using state funding in 2016-2020), or allow ACV to retain the annual payments to the national budget of three airport authorities, which is about VND190 billion ($8.3 million) in 2016, and dividends for the state (about VND150 billion ($6.6 million) in 2016).
At present, ACV has asked MoT to allow it to raise capital from the private sector by establishing a joint stock company with a maximum of 30 per cent state capital.


Counterfeiting threatens legitimacy of rapidly growing markets

03/Apr/2017 Intellasia | VOV

The retail sector in Vietnam has been forecast to see robust growth over the next few years with much of the increased sales expected to come from online purchases at brick and mortar stores.

While the convenience offered by e-commerce is good news for both retailers and consumers alike, it is also proving to be highly attractive to counterfeiters, especially given the anonymity of the Internet.

The trade in counterfeit goods can be broadly divided into sales where the consumer is aware that he or she is purchasing a fake product and those where they are deceived into doing so.

In the latter case, consumers are deceptively lured into unknowingly purchasing fake products that are either sold at the same or a slightly lower price as the genuine goods resulting in huge profits to criminal enterprises.

To better understand the problem, one must take a deeper look at the business model of some of the large online e-tailers such as Amazon and Lazada.

Most e-tailers such as these use a marketplace business model with suppliers storing goods on their behalf and then delivering them once orders have been placed.

This means that these e-tailers contract directly with many local suppliers located in Vietnam to deliver goods to the consumer after an online order is placed.

This business to business model in turn places competitive pressure on the e-tailer to increase its supplier base to provide goods at the most competitive prices.

Widely reported studies in other countries have shown that it is the lack of due diligence by the e-tailers to check out the qualifications of their suppliers that has allowed for the increased proliferation of counterfeit goods.

In the alternative, business to consumer model, it is the retailer located in Vietnam that maintains its website and sells its products directly to the consumer.

In this case, the retailer either takes physical possession of the goods from its suppliers or produces the product itself.

The retailer is either in the analogous situation as the e-tailers and is deceived by its suppliers into selling fake goods - or alternatively is part of the criminal conspiracy to manufacture and/or distribute the counterfeit products.

Smartphones

As smartphones have become ubiquitous in Vietnam and around the globe, there has been a concurrent rise in the incidence of fake goods.

Smartphones provide criminals the ability to access the latest global trends, designs and brands and capture images of products displayed in official outlets and use them to copy and sell counterfeit products through internet applications.

Virtually anyone can create an internet application and use it to sell products directly to consumers in Vietnam, and for that matter, most other countries.

These criminal enterprises using readily accessible internet applications undermine the legitimate e-tailers that use a business to business model and retailers using a business to consumer model by selling fake brand name products at a cheaper price to unsuspecting consumers.

As such groups are currently unregulated or underregulated they, for all practical purposes, escape legal or regulatory compliance either when the criminal enterprise is created or at a later stage in its operation.

Legal framework

Specific laws governing online counterfeiting, trademark infringement, and intellectual property rights are inadequate and the Vietnam government is aware that much more need be done.

Combating the problem is an extremely complex process that has led deputy prime minister Truong Hoa Binh to ask the national 389 Committee and the Subcommittees to address in the coming months.

In their review the Committee will review IP related rules, procedures, practices and guidelines for clarity, simplification, streamlining, transparency and time bound processes in administration and enforcement of IP rights.
Economic experts with near unanimity wish the Committee and Subcommittees success. The sale of counterfeit goods in Vietnam is having a negative impact on consumers, the government, the economy and brand owners, in addition to damaging the trust that consumers have in a brand product.

The availability of counterfeit goods is also having a negative impact on innovation and growth in the Vietnam economy and affects its attractiveness as an investment destination.

A strong legal framework for combating counterfeiting and piracy will only serve the best interests of the country as fake goods are threatening the legitimacy of the rapidly growing retail markets.

Malaysian firms keen on business expansion in Vietnam

Up to 38 percent of Malaysian firms chose Vietnam as their favoured Asian destination for business expansion in the next 3-5 years, according to the 2016 Asian Enterprise Survey released by the United Overseas Bank (UOB) on March 31.

The firms said they were drawn to Vietnam's stable political climate (44 percent), huge and growing customer demand (42 percent), and favourable tax and regulatory environment (32 percent).

Vietnam continues to be attractive for foreign investment thanks to its 6 percent growth and a young workforce base with 60 percent of its 90 million population aging below 35.

The findings were taken from more than 2,500 interviews granted to financial planners working for Malaysia-based Asian enterprises which have been in operation for at least three years and earn at least 3.5 million USD each year.

UOB Malaysia Chief Executive Officer Wong Kim Choong said Malaysian investors in Vietnam mostly operate in export-oriented industries such as manufacturing, health care, pharmaceuticals, construction and real estate, adding that they also look forward to more opportunities brought about by Vietnam's free trade agreements with the European Union and the Eurasian Economic Union.

UOB has noticed Vietnam's strategic importance since 1995 when the bank opened a branch mostly serving foreign businesses in the country, he said.

Da Nang boosts agricultural cooperation with China's Shandong

The central city of Da Nang hosted a seminar on March 31 to promote its economic and agricultural cooperation with Shandong province of China.

Vice Chair of the municipal People's Committee Ho Ky Minh said the seminar aimed to provide Shandong's businesses with an insight into the city's investment environment, advantages and potential as well as its development orientations.

It was also a chance for enterprises of the two localities to seek partners, especially in the field of hi-tech agriculture, Minh added.

Wang Jun Min, an official of Shandong, said his province has been taking the lead in China in terms of agricultural production and export. It has been ranking first in terms of agricultural export revenue for 17 consecutive years, making up one-fourth of China's total farm produce export earnings.

As Shandong holds a lot of advantages in agriculture and machinery manufacturing, it will encourage Vietnamese firms, including those from Da Nang, to invest in these areas.

Wang hoped that Da Nang will provide favourable conditions for Shandong enterprises to invest in the city, and that more Vietnamese key agricultural products will be exported to Shandong and vice versa.

Shandong province also wants to cooperate with Da Nang in the industry and service sectors, he added.

In 2016, Da Nang earned 22 million USD from exports to China while importing 210 million USD worth of goods from this country. By the end of March 2017, the city had housed 12 FDI projects invested by Chinese companies with total capital of 6.2 million USD.

Binh Duong promotes favourable business environment

The southern province of Binh Duong has set creating a favourable business environment a top priority to attract investment and improve its provincial competitiveness index (PCI).
The move is part of an investment attraction programme in the period 2016 - 2020, according to Mai Hung Dung, vice Chair of the provincial People' Committee.

Accordingly, the province will hold more dialogues with enterprises to resolve problems they are facing and boost administrative procedure reform, including single-window system and online administration services.

Binh Duong has to date had 2,890 foreign direct investment (FDI) projects worth 27.1 billion USD.

In the first three months, the locality attracted over 1.34 billion USD of FDI capital. Of the total, 793 million USD was from 43 newly licensed projects and the rest was from 18 projects that got additional capital.

It is also home to over 26,500 domestic firms with a total registered capital of 198.2 trillion VND (about 8.7 billion USD).

During the first quarter, the province approved the setting up of 966 new enterprises with a total investment capital of 5.39 trillion VND (about 237.3 million USD), while allowing 166 operating ones to raise their capital by a total of 3.73 trillion VND (164.1 million USD).

Binh Duong plans to attract partners with strong economic potentials to industries with high technology and high-added value, agro-industry and support industry.

Regarding domestic investment, the locality aims to have 23,000 new projects worth 110 trillion VND, doubling the period of 2011 - 2015.

It also will give priority to investment into industrial parks with well-prepared infrastructure

Tourism firms struggling with sudden kayak ban in Halong

Several tourism enterprises have said they are surprised by a ban on kayak service issued by Halong City with effect from April 1 and some of them have yet to inform customers of this sudden change although the tours with kayak service have already been sold.

According to a document signed by vice chair of the city Tran Viet Hung on March 29 to ban kayak service in Halong Bay, all organisations and individuals providing tourism services are required to stop kayak service from April 1.

The city government said the number of kayaks in the bay is increasing rapidly while organisations and individuals providing this service have not been granted certificates of approval. Some tour operators have not informed authorities of kayak service fees, so tourists may be overcharged, denting the image of the tourism sector.

Speaking to the Daily, many businesses showed their surprise with this decision, saying they are feeling their hands are abruptly tied.

Tran Xuan Hung, director of Viking Tourism Company, said most of the company's foreign visitors to Halong Bay tried kayak service and there had been no cases of injury or accident. Some cruises offer free kayak service for overnight tours and some charge $5-15 per person. In the bay, kayaking is not as risky as other destinations.

"Kayaking is an added service, contributing to the richness of tourism products that are relatively poor in Halong Bay. Authorities should withdraw this unreasonable decision, so I have not informed my partners of this change," Hung said.

Meanwhile, Phan Xuan Anh, chair of Viet Excursions Tourism Company, expressed concern that his company had signed tour contracts with partners, including kayak service. In particular, the company has received payments for some contracts so they do not know what to do when the service is suddenly banned.

"It's hard for us to inform our customers as the tours have already been sold," he added.

Anh said tourists are fond of kayaking in Halong Bay. "Service prices are reasonable and no accident has occurred. Therefore, city authorities should only deal with violations, instead of issuing a blanket ban," said Xuan Anh.

Many other businesses also have similar views, saying Halong Bay is a leading tourist attraction in Vietnam, but some recent unreasonable decisions have caused inconvenience for visitors and tourism enterprises.

15 Chinese-only stores forced to close in Ha Long

Many other businesses also have similar views, saying Halong Bay is a leading tourist attraction in Vietnam, but some recent unreasonable decisions have caused inconvenience for visitors and tourism enterprises.
More than a dozen bedding shops found to have served only Chinese tourists in Ha Long, the capital of the northern province of Quang Ninh, have been asked to cease operations.

The forced closure on 15 Chinese-only shops, mostly selling rubber mattresses and beddings, was stipulated in an urgent dispatch by the provincial administration on Friday.

Eight of the venues, located in Hung Thang, Bai Chay, Tuan Chau, and Gieng Day Wards, had their quality service certificates revoked, whereas the other seven stores were forced to shut down for lacking such certification.

The license revocation was enacted as the stores did not meet the required standard and quality services for tourists as per the current regulations, according to the dispatch.

One souvenir shop was also fined VND400 million (US$17,857) for listing prices in foreign currency.

The administrations of the above wards have also been asked to have local competent agencies carry out in-depth investigations into the operations and usage of land and premises of the offending stores.

Any tour guides or travel agencies found to bring Chinese tourists into those stores will be slapped with a fine, or lose their licenses, the Quang Ninh administration pressed in the document.

Utilities providers in the local areas were also requested to suspend power or water supply to the stores from Friday.

Quang Ninh authorities also encourage people to report similar offending stores by sending an e-mail to halonghotline@quangninh.gov.vn.

Ly Son island to have luxury resort

03/Apr/2017 Intellasia | VNS

Quang Ngai Provincial People's Committee agreed for a local investor to do a feasibility study on a resort project in Ly Son island district last week.

The study was proposed by the Vietnam Infrastructure Investment and Development Joint Stock Company (VIID) in a document dated March 13, 2017.

The People's Committee asked the Department of Construction and Ly Son District People's Committee to guide, support and create favourable conditions for the company to conduct the survey and find suitable locations for the above project.

Located to the north-east of Quang Ngai Province, 27km from the mainland, Ly Son District has two islands, Big Island and Small Island. The island covers an area of over 10sq.km, with the three communes of An Vinh, An Hai and An Binh and total population of some 22,000, of whom 60 per cent live mainly on fishing, 30 per cent live on agriculture and the rest have other means of livelihood.

By the end of 2014, the island district began to get access to the national grid. Since then, infrastructure and accommodation services have started to develop but mostly in motels, homestays and mini hotels. Muong Thanh is the first four-star hotel to be built in Ly Son, which opened in May 2016 with 92 standard rooms.

VIID was established under cooperation of State Capital Investment Corporation (SCIC) and Refrigeration Electrical Engineering Corporation (REE) on May 26, 2008.

According to the National Business Registration Portal, the current charter capital of VIID is VND410 billion, of which SCIC holds more than 45 per cent and REE owns more than 39 per cent.

Currently, VIID has been investing in a number of projects such as Platinum Residences, Ngoc Bao Vien project, Platinum Complex, STD Tower, Platinum Plaza and Vam Thuat - Vuon Lai project.

The proposed project is based on a model of a resort with ecological villas and promises to be the first luxury resort in Ly Son island district.


HCM City supports Tuan Chau to build chemical trading centre

03/Apr/2017 Intellasia | The Saigon Times

The HCM City government has thrown its support behind a plan by Tuan Chau Group to develop and operate an aromatic and chemical trading centre of regional stature in the city.

Tran Vinh Tuyen, vice chair of the city government, said at a meeting to discuss this project on March 17 that the city supports the plan to build an aromatic and chemical centre by Kim Bien Investment and Construction Joint Stock Company under Tuan Chau Group. Such support was reiterated in a document issued by the city government earlier this week.
The centre will be the venue for trading industrial and medical aromatics and chemicals, gathering enterprises and business households from all around the city, helping authorities easily control food safety and fire prevention.

The large, modern warehouse system will not only cater to the need of storage and trade of flavors and chemicals by organisations and individuals in HCM City but also other traders and production facilities from neighbouring provinces.

In addition, this will be a centre for research, experimentations, consultancy and international exhibitions.

Tuyen also asked the company to submit a detailed construction plan and complete relevant legal procedures to soon develop the project.

Besides, the city's Department of Industry and Trade needs to map out a detailed plan to relocate aromatic and chemical stores, individual households and enterprises citywide into the centre.

At an earlier meeting, Nguyen Ngoc Hoa, deputy director of the HCM City Department of Industry and Trade, said the city now has about 638 chemical manufacturing facilities across the city. Particularly in District 5, there are over 70 industrial chemical facilities and 25 food additive trading facilities in the area around Kim Bien market.

In May 2016, the HCM City Food & Food Stuff Association also asked the HCM City People's Committee for permission to carry out a project to build a chemical trading centre with an estimated investment of VND100 billion.

Transfer centre to be built in City hi-tech park

The Management Board of the HCM City-based Saigon Hi-tech Park (SHTP) on Wednesday awarded an investment licence to the Tay Sai Gon (Western Sai Gon) Vocational College to construct a $25 million technology transfer centre in the city.

Covering an area of 17,550 square metres in the park, the Wesgo centre is designed to foster international cooperation, knowledge access, technology transfer, and application of new technologies in domestic production.

Basing on studying and applying advanced techniques, the centre will develop concentrated and intensive science research activities. It will encourage pilot studies and new products with high technology content. Nearly $10.6 million out of the total investment will be used to purchase modern equipment serving technological study, application and transfer, and training activities in the centre, especially in terms of automation, new materials, precision mechanics, biotechnology, wastewater and solid waste treatment, and environmental protection.

Once operational, the Wesgo centre will spend 24.5 per cent of its annual revenue on research and development activities.

Work on the centre is scheduled to begin in late this year and finish in the third quarter of 2019.

Handicraft exporters seek to expand markets

Experts have advised handicraft businesses to improve workers' competence and increase value-chain connectivity to expand markets.

They said Vietnamese handicraft products have been exported to such choosy markets as the EU, the US, the Republic of Korea, and Japan, with a total export turnover of nearly 1.5 billion USD per year.

Director of Hanoi Hung Anh Co., Ltd Trinh Tuyet Nga said European customers still favour handicrafts made in Vietnam due to their high quality and sophistication.

The EU would remain the main importer of Vietnamese handicrafts, she said, noting that her company has exported one container of fine-art handicrafts worth around 10,000 USD to the EU since the beginning of this year.

However, it is difficult for the company to handle big orders from foreign businesses due to financial restrictions and small-scale production while the EU has strict demands for quality, design and delivery of products, Nga said.

Most of Vietnamese handicraft exporters are small-and medium-sized enterprises; hence their trade competence is not high, and they lack of experience to make use of international trade opportunities.
The application of traditional methods also makes it difficult for businesses to produce and export handicrafts at the same time.

Ta Minh Hung, a trade promotion expert from the Vietnam Chamber of Commerce and Industry, held that it is necessary to improve the production value chain from manufacturing to selling the products as well as embrace links between production and trade to optimise production and consumption capacity.

For example, in the stage of production, he suggested boosting the application of technologies to increase output and quality, thus meeting the demand of big orders.

Regarding the commercial stage, it is essential to set up financially-strong companies to expand markets, he said.

He recommended encouraging potential domestic businesses to participate in international trade promotion programmes and trade fairs to popularise products, seek partners and open markets.

Vietnamese businesses are scheduled to attend the Mega Show - an international handicraft trade fair in China's Hong Kong in October and France's Paris in November 2017.


Dong Nai: Investors eye industrial parks beyond centre

03/Apr/2017 Intellasia | VNA

Industrial parks located in mountainous areas or far from downtown Dong Nai province have caught eyes of more investors since early 2016 thanks to local efforts to develop transport infrastructure.

According to the Dong Nai Industrial Zones Authority (DISA), Long Khanh Industrial Park in Long Khanh town welcomed 43 projects, worth more than 100 million USD since the beginning of last year while over 80 million USD from 11 projects landed in Nhon Trach III Industrial Park in Nhon Trach district. Four investment projects bumped more than 130 million USD into Dau Giay Industrial Park in Thong Nhat district.

It was estimated that the money poured in these IPs in combine accounted for over 40 percent of the total newly-registered investment of the province.

DISA deputy head Mai Van Nhon said all the three parks are situated far from Bien Hoa city of the southern province. The locations seemed to make them less attractive than others as only few businesses, mostly in textile and footwear, settled there in the past.

Roughly 30 percent of land in Long Khanh Industrial Park was leased to ten investors in 2015, seven years after the park was rolled out in 2008. But thing has changed, the industrial park has seen a dramatic rise in leasing applications over the last year, leading to a demand for more land. The province has proposed the government to expand the estate by 200 hectares, added to the existing area of 180 hectare, Nhon said.

He noted fast infrastructure development that has made the IPs more accessible by roads is the main reason behind that. Additionally, Bien Hoa city, Trang Bom and Long Thanh districts where industries were earlier developed have become short of worker supply so that investors had to turn their head to other areas with larger labour pool.

Dong Nai currently hosts 32 industrial parks, covering a total area of 10,240 hectares, of which approximately 4,900 hectares, or over 71 percent, have been leased.

By the end of 2016, the province had 1,253 valid foreign invested projects with total registered capital of 25.7 billion USD, with the Republic of Korea, Taiwan (China) and Japan being the largest investors.


Coffee sector looks for ways to adapt to climate change

03/Apr/2017 Intellasia | VNA

Solutions to help coffee production adapt to climate change was the focus of discussion at a workshop held in the Central Highlands province of Gia Lai on March 31.

Looking into causes behind the unsustainable development of coffee at present, participants pointed out that small-scale production prevent farmers from accessing credit to invest in intensive farming, while unsuitable farming techniques, including the abuse of fertiliser and pesticides, reduce soil's fertility and cause water shortages.

At the same time, natural disasters as a consequence of climate change have caused serious losses to the coffee sector. Last year, drought affected more than 116,000 ha of coffee trees in the country, nearly 7,000 ha of which were completely destroyed.
Many participants agreed on the need for new coffee varieties that are adaptable to unfavourable weather conditions such as drought and unseasonal rain. The Central Highlands provinces need to replace old coffee trees with new varieties on 120,000 hectares.

Other suggestions include expanding the use of water-saving system and intercropping fruit trees or industrial plants and coffee tree, while helping farmer households improve their coffee bean processing capacity.

In 2016, Vietnam had over 640,000 hectares of land under coffee, spanning over 105 districts in 22 provinces. The sector exported nearly 1.8 million tonnes of coffee beans, worth over 3.36 billion USD. The Central Highlands region, comprising of Gia Lai, Kon Tum, Dak Lak, Dak Nong, and Lam Dong provinces, has 540,000 hectares of coffee trees, accounting for 84 percent of the nation's area.

Selection of Vietnam's best aquatic products kicks off

The Vietnam Fisheries Society and Vietnam Fisheries Magazine held a press conference on March 31 to launch the voting for the best aquatic products of Vietnam.

The title has been given twice in five years since 2009, honouring 100 units and individuals each time, said Nguyen Viet Thang, President of the Vietnam Fisheries Society. After three times, thousands of businesses, collectives and people have applied for the competition.

Its criteria cover economic and social benefits, technology application in production, along with resources and environment protection.

According to the organising board, the award aims to boost the quality of aquatic products as well as the use of technology in production, thus raising the fisheries sector's competitiveness.

The aquatic sector has contributed a large sum of foreign currency to Vietnam, from 285.4 billion USD in 1991 to about seven USD currently. It has become the strategic export of the country.

Besides, the sector also generates jobs in numerous fields, such as aquatic farming, fishing, processing and logistics, benefitting the economic development of localities.

National Quality Award presented to outstanding businesses

The Ministry of Science and Technology has presented the National Quality Award and the Global Performance Excellence Award for Asia-Pacific 2016 to outstanding businesses.

Speaking at the award ceremony in Hanoi on April 2, deputy prime minister Vu Duc Dam underlined the importance of effective allocation of resources to enhance the economy's competitiveness and urged enterprises to improve their productivity, quality, and market management to boost their growth and serve consumers.

"By improving their performance, many Vietnamese enterprises have conquered the domestic and strengthened their foothold in overseas markets.

Vietnamese enterprises have managed to dominate the domestic market and gained consumers' trust thanks to improving their quality, I hope that these two awards will draw attention from both enterprises and society and at the same time encourage Vietnamese enterprises to promote innovation and increase their quality," he said.

Over the last 20 years, more than 1,680 enterprises have been honored with National Quality Awards. Since 2000, 40 Vietnamese enterprises received the Global Performance Excellence Awards.

265 businesses close doors every day

Number of enterprises ceasing or suspending operations in first quarter totals 23,900.

The number of enterprises completing procedures in March for dissolution stood at 744, down 20.9 per cent compared to February, according to a report from the Department of Business Registration Management under the Ministry of Planning and Investment.

The number that registered to suspend operations for a specific period was 1,406, down 27 per cent against February, while the number of enterprises that suspended operations without registering to do so or are awaiting closure totalled 3,184, an increase of 133.3 per cent.
In the first quarter of the year, the number of enterprises suspending operations for a certain period was 9,942, up 23.9 per cent quarter-on-quarter, and the number of those that suspended operations unannounced or were awaiting closure was 10,694, down 11 per cent.

The number of enterprises completing dissolution procedures in the first quarter was 3,268, up 12 per cent quarter-on-quarter.

The number of enterprises ceasing or suspending operation totalled 23,900, or an average of 265 each day.

Among enterprises that have suspended operations temporarily, 3,994 were one-member limited liability companies, or 40.17 per cent of the total, 3,264 were two-member limited liability companies, or 32.83 per cent, 1,010 were private enterprises, or 10.16 per cent, 1,672 were joint stock companies, or 16.82 per cent, and two were partnerships.

Among enterprises that suspended operations unannounced or are awaiting dissolution, 4,647 were one-member limited liability companies, or 43.5 per cent of the total, 3,070 were two-member limited companies, or 28.7 per cent, 817 were private enterprises, or 7.6 per cent, and 2,160 were joint stock companies, or 20.2 per cent.

Among the total number of dissolved enterprises, 1,269 were one-member limited liability companies, or 38.8 per cent, 993 were two-member limited liability companies, or 30.4 per cent, 594 were private enterprises, or 18.2 per cent, and 412 were joint stock companies, or 12.6 per cent.

Only two sectors saw increases in the total number of enterprises suspending operations in the first quarter: wholesale and retail and repairing cars and motorbikes, with 4,854 enterprises, up 11.7 per cent quarter-on-quarter, and education and training with 209 enterprises, up 1 per cent.

The remaining sectors saw declines in the total number quarter-on-quarter: 162 enterprises in agriculture, forestry and fisheries, down 46.7 per cent, 176 in arts and entertainment, down 41.5 per cent, 442 in accommodation and hospitality services, down 33.6 per cent, 405 in warehouse and transportation, down 30.4 per cent, and 88 in mining, down 27.3 per cent.

Vietnam real estate association convenes annual meeting
03/Apr/2017 Intellasia | VNA

The Vietnam Real Estate Association (VNREA) convened its annual meeting in Quy Nhon city, the central coastal province of Binh Dinh on April 1, with 500 delegates representing firms and members taking part.

Apart from the official meeting, the VNREA's executive board also converged a plenary session to adopt its 2017 action plan and witnessed the signing of a cooperation agreement with the Cambodian Valuers and Estate Agents Association (CVRA).

Speaking at the event, deputy minister of Construction Bui Pham Khanh said as much as 92 trillion VND (4 billion USD) was poured into real estate developments as of the end of the first quarter this year, adding that the ministry has received and considered VNREA's recommendations to refine relevant legal documents, thus creating a favourable and transparent environment for the property market.

VNREA Chair Nguyen Tran Nam affirmed that the real estate market is developing stably with growing foreign direct investment and improved liquidity.

The association will focus on expanding ties with its counterparts in Southeast Asia in the near future, thereby creating favourable conditions for both sides to navigate each other's markets, he said.

According to him, VNREA is looking to join relevant professional organisations on the global scale as well as host the World Real Estate Congress in the country, which he said, will enable Vietnam to popularise its property market, tourism and the people to international friends.

The VNREA's annual conference provides a venue for developers to meet policy makers, leading experts and foreign associations in the field.

Talk helps businesses access agricultural processing technology
03/Apr/2017 Intellasia | VNA

The Ministry of Agriculture and Rural Development (MARD) on March 30 held a dialogue on agricultural product processing and export with 30 domestic businesses to help them gain access to advanced technology in the world and in Switzerland in particular.
Minister Nguyen Xuan Cuong said that the processing of agricultural products brings about the highest economic value, but it is currently the weakest phase of Vietnam. Therefore, the event was held to introduce Switzerland's technology to participating enterprises, so they can choose appropriate technology for their production. The ministry will help connect the two sides, Cuong said, emphasising the possibility of holding visits by the two countries' businesses in order to boost intensive processing of farm produce.

In the time to come, the MARD will usually organise talks with businesses to help them deal with difficulties in production, he added.

Ambassador Duong Chi Dung, head of Vietnam's permanent delegation in Geneva, Switzerland, introduced participating businesses to technology currently applied by Swiss groups and companies.

Dung also affirmed to help connect the two countries' enterprises in order to increase the quality of Vietnamese farm produce.

At the event, many enterprises paid attention to advanced technology and showed their hope to collaborate with Swiss groups and companies.

They also proposed the ministry remove difficulties they face in mechanism, policy and product distribution.

Vietnamese prefer Thailand's expensive rice to Vietnam's cheap rice

Instead of buying Vietnam's rice at just VND10,000 per kilo, Vietnamese are willing to pay higher to buy rice from Thailand or Japan.

Nguyen Do Anh Tuan, director of the Institute for Policy and Strategy for Agriculture and Rural Development, commented that many Vietnamese now don't eat Vietnam-made rice, priced at just VND10,000 per kilo. The rice products are just for export, not for domestic consumption.

Tuan also noted that Vietnam exports rice as food for people, but rice can also be used to make essential oil, rice milk, cosmetics, by-products and processed animal feed.

While Vietnam focuses on trying to export as much rice as possible, it cannot improve rice quality. The country mostly exports low-priced rice and has been relying on the Chinese market.

Explaining the current policy on rice exports, Pham Chi Lan, an economist, commented that food security problems in the past have left their mark. Vietnam tries to produce as much rice as possible, both in the past when it lacked food and now when it can export millions of tonnes of rice every year.

Lan stressed that Vietnamese policymakers need to outline a new policy on rice production and export.

While Vietnam focuses on making high-yield and low-cost rice, more and more Vietnamese only want high-quality products. The choosy consumers accept to pay higher prices to buy delicious rice from Thailand, Japan and Cambodia.

An analyst said Vietnamese people's income has improved, so they have become choosier about rice price.

"They don't need much rice; they need high-quality rice," he commented.

Nguyen Quoc Vong, who works for the New South Wales (Australia) Agriculture Ministry, confirmed that Vietnam has to import rice from Cambodia, Thailand, Japan and Taiwan, though Vietnam can produce rice itself.

According to Tran Duy Quy, former director of the Institute of Agricultural Genetics of Vietnam, Thailand keeps fragrant rice output stable to have 12 million tonnes of unhusked rice for export every year and 8 million tonnes of rice for export.

The country exports high-quality products to Europe and the US, sells mid-tier products to Vietnam and also sells low-cost products. Thailand's rice products are classified and sold at supermarkets at five different price levels.

"I think there is something in Thailand's business model for Vietnam to learn from, or Vietnam's agriculture will face big difficulties and cannot compete with products from neighbouring countries," he said.

In the domestic market, Japanese Sushi, Koshihikari and Furi Sakura rice are priced at VND170,000-200,000 per 5 kilo bag. Thai Hommali and Pathumthani Na siam VND200,000-250,000. In general, imports are 2-3 times more expensive than Vietnam's products.

Long Son petrochemical complex settles last issues before implementation
03/Apr/2017 Intellasia | VIR

In the afternoon of March 29, 2017, PetroVietnam and other involved parties in Long Son Petrochemicals Company Limited (LSP) has signed important documents related to LSP, including a joint venture contract, a company charter, and a capital transfer contract between Qatar Petroleum International Vietnam (QPIV) and Siam Cement Group (SCG), as well as finalised the project's capital at $5.4 billion.

The successful negotiation and signing of documents on the company and transferring capital among partners is a milestone in the project's implementation, ensuring its operations in 2021.

The project has a total estimated investment of $5.4 billion and will be installed with advanced technology, meeting environmental protection requirements and ensuring the production of high-quality products, such as PP and PE. The project will create about 15,000-20,000 jobs during its construction and over 1,000 jobs when put into commercial operation.

Before the acquisition, Qatar Petroleum International Vietnam (QPIV) held 25 per cent of LSP's chartered capital. The remainder belonged to PetroVietnam with 29 per cent, and Thailand's SGC held 46 per cent.

Long Son petrochemical complex is one of the largest of its kind in Vietnam, with a production capacity of 1.6 million tonnes of olefins per year.

In this occasion, PetroVietnam Gas, member of PetroVietnam, also issued a letter of commitment to secure ethane gas sources for the complex.

The project will contribute to the budgets of the southern province of Ba Ria-Vung Tau and Vietnam an estimated $115 million per year throughout its 30 years of operation.

Up until now, LSP's deposit transferred to the Ba Ria-Vung Tau Provincial People's Committee is approximately $41.95 million and the province has finished the site clearance, relocating all 390 households from the main area of 464 hectares of the project.

In December 2016, the Ba Ria-Vung Tau Provincial People's Committee approved in Decision No.3597/QD-UBND the unit price for land lease as a ground to sign the land lease and land use right contracts. Accordingly, the highest unit price for lump-sum rental calculation is roughly $80 per square metre, and the lowest is around $21 per sq.m. This figure for land with water surface is $21 per sq.m.


Japanese floriculture firm to invest in Lam Dong
03/Apr/2017 Intellasia | VNA

Japan's Kawasaki Flora Auction Market company plans to invest in floriculture in Da Lat city, the Central Highlands province of Lam Dong, for export to Japan and European countries, said former Counsellor from the Vietnamese embassy in Japan Dao Ngoc Canh.

According to him, the company wants to do business for up to 50 years in Da Lat or the entire province.

In the first year, it plans to work on a site of 10-20ha, and expand to 50ha after three years and 100-200ha from the fifth year and afterwards.

Established in 1961, Kawasaki currently owns production facilities in 12 Japanese prefectures and foreign countries such as Colombia and Kenya which provide fresh flowers for its chain of stores across Japan.

President of the Vietnam Cooperative Alliance Vo Kim Cu vowed all possible support for bilateral partnership and asked the Japanese investor to devise specific cooperation plan soon.

He also suggested tapping Lam Dong province's vast area of fertile land by investing in vegetable cultivation and other agricultural activities there.


AirAsia plans Vietnam venture as travel demand surges
03/Apr/2017 Intellasia | Vnexpress

Malaysian budget airline AirAsia said it will develop a low-cost carrier in Vietnam by teaming up with local businesses to catch up with the country's travel boom.

AirAsia, the region's biggest budget airline, has signed an agreement with Hanoi-based Gumin Co, Hai Au Aviation and Tran Trong Kien to form the venture, the airline said in a statement filed on March 31 to Malaysia's stock exchange. Kien runs the two Vietnamese businesses, Bloomberg said.

The venture, expected to start flying in early 2018, will need investments of VND1 trillion (US$44 million), with AirAsia contributing 30 percent and Gumin holding around 70 percent, the statement said.

Vietnam's aviation market grew 29 percent in 2016 with passengers reaching 52.2 million, the Civil Aviation Authority of Vietnam said. Low-cost carriers served 55 percent of passengers on domestic trips last year, it said.

"There is great potential for growth in Vietnam," AirAsia said in the statement, citing the country's fast-growing economy, a sizable population, and its ranking as Southeast Asia's fifth largest aviation market after Indonesia, Thailand, Malaysia and Singapore, apart from being the world's fastest growing aviation market in 2015-2016.

Bloomberg said Air Asia CEO Tony Fernandes, who seeks to build a pan-Asian budget airline, has interest in Vietnam as its growth in passenger traffic was triple the pace in other Southeast Asian nations.

But Brendan Sobie, Singapore-based chief analyst at CAPA centre for Aviation, forecast "huge challenges" for AirAsia as the market in Vietnam is now well served by two low-cost carriers VietJet and Jetstar Pacific. "AirAsia is very late to the party," he told Bloomberg.

"The rate of growth will likely slow in the coming years as the market is now more mature," he said. AirAsia has established affiliates in Indonesia, Thailand, India and Japan, and has ordered hundreds of planes worth billions of dollars to meet its growth ambitions, Bloomberg said.


Company prepares for export of poultry meat to Japan

The Koyu & Unitek Co Ltd has recently inaugurated a meat processing plant with a daily capacity of 50,000 chickens at the Long Binh industrial park in the southern province of Dong Nai, as part of its preparation to export poultry products to Japan.

The plant built at cost of 6 million USD has been equipped with advanced machinery imported from Japan and run following strict hygiene and food safety standards.

Chickens for production are sourced from a farm run by Nguyen Minh Kha in Nam Cat Tien commune, Tan Phu district.

Kha said he has taken part in the supply chain for poultry export to Japan for two years. He made sure his poultry is free from diseases and Japan-banned antibiotics.

The farm is expected to be scaled up to 720,000 chickens in next June or July from the current figure of 560,000. Most of its breeds have been imported from France, while feed has been provided by De Heus Vietnam.

The last barrier for Koyu & Unitek chicken meat products is animal quarantine from both countries.

Nguyen Van Quyen, head of the company's export project board, said Koyu & Unitek is confident to pass the examination as its production chain is strictly in line with standards set by Japan.

The company expected to sell chicken products in the home market from April and ship its first chicken container to Japan in June or July.


Capitaland, Toong chiefs discuss co-working space business model in VN

Lim Ming Yan, president and group CEO of CapitaLand, and Duong Do, founder and CEO of Toong Coworking Space, have discussed the potential of the co-working space model in Vietnam.

The discussion took place during a meeting between the two at Toong's newest location at The Oxygen mall developed by Capitaland in HCM City's District 2.

"Toong's DNA is making life better via providing creative workplace solutions for businesses and individuals that are both aesthetically designed and economically sound," Duong said.

Using design to tell a story, every Toong centre seriously emphasizes celebrating the history, culture and heritage of the surrounding community.

"With respect to future development, Toong believes that its business model and creative capacity can add value and, in turn, help celebrate the heritage, culture and diversity of not just Vietnam but also other Southeast Asian nations, whose heritages are timeless, valuable, and worthy of recognition."

Toong is the only start-up that Lim visited during his recent strategic business trip to Vietnam to reaffirm CapitaLand's commitment to one of its key markets.
CapitaLand and Toong entered into a strategic partnership in December 2016, agreeing to work closely in developing and providing more modern, progressive, and conducive working environments for start-ups and small and medium-sized enterprises amid a growing trend of the sharing economy in Vietnam.

During this trip, CapitaLand also reaffirmed its commitment to being a long-term real estate developer in Vietnam with its plans to expand its S$2.1 billion multi-sector real estate presence in the country, including a possible Raffles City, its flagship brand of integrated developments located in city centres with excellent connectivity to key transport nodes.

Lim said Vietnam is one of CapitaLand's key markets in Asia, and its real estate market is supported by the country's strong economic growth, rapid urbanisation and a young and growing population.

Transforming working environment

Toong, Vietnam's largest co-working space developer, has been identified by CapitaLand as a strategic partner.

CapitaLand has brought the Collective Works co-working space into its Capital Tower project. The group is now present in seven of Vietnam's major cities and towns - Hanoi, HCM City, Hai Phong, Ha Long, Da Nang, Binh Duong and Nha Trang - in the housing and serviced residences sectors.

It has a portfolio of close to 9,100 quality homes across nine residential projects in HCM City and Hanoi. In the serviced residences sector, its wholly-owned serviced residence business unit, the Ascott Limited, has more than 4,600 apartment units in 22 properties in the seven major cities, making it the largest international serviced residence owner-operator in the country.

Toong is Vietnam's largest co-working space developer and operator. It has a total of five locations across Vietnam in Hanoi, Da Nang and HCM City.

Bayer reports record year for pharmaceuticals business in Asia-Pacific

Bayer reported a sales increase of 8.6 percent to more than 4.8 billion euros for its pharmaceuticals division in the Asia-Pacific region last year, continuing its growth story in the sixth consecutive year.

Over the last six years, the company's pharmaceuticals sales in the region have nearly doubled, from around 2.6 billion in 2010 to around 4.8 billion euros in 2016.

"Innovation is the foundation of Bayer's success. Our portfolio of innovative medicines, which addresses the unmet medical needs of patients in the Asia-Pacific region drives our strong business growth today. Their high acceptance by patients and physicians in the region is encouraging and motivates us to continue innovating to help patients live a better life," said Claus Zieler, senior vice president and head of commercial operations of Bayer Pharmaceuticals division Asia-Pacific.

In 2016, many of the region's markets grew strongly, including India (around 22 percent), Vietnam (around 19 percent), South Korea (around 10 percent), Pakistan (around 10 percent), and Taiwan (around 9 percent). Overall in 2016, Bayer's pharmaceuticals business continued to be one of the fastest growing among multinational companies and among the top 10 in value sales in Asia-Pacific, according to global health intelligence agency IMS 2016 data.

Asia-Pacific has distinct needs for its aging population. It is estimated that the region, which accounts for more than half the world's population, will see a doubling of the percentage of individuals aged 60 years and above from 12 percent to 24 percent by 2050, making treatment for cancer, cardiovascular diseases, and diabetes a core issue.

"There is a high demand for new treatment options and solutions in these areas of high medical need. We are investing substantially in increasing our innovation capability to develop new and better medicines to help our population age with a high quality of life and keep health systems sustainable," said Dr Chuan Kit Foo, head of Medical Affairs of Bayer Pharmaceuticals division Asia-Pacific. Last year, Bayer increased its investment in research and development (R&D) by 9.8 percent to nearly 4.7 billion euros. Around 60 percent of the R&D spend (nearly 2.8 billion euros) was assigned to the research and development of new pharmaceuticals.

In 2017, the company plans to further increase its overall R&D spend to about 4.8 billion euros. Bayer's Pharmaceuticals pipeline is well-stocked with more than 50 development projects in Phase I to III of clinical development to serve these medical needs. Among these projects, six of them - in the mid- to late-stage pipeline - will have potential to treat various types of cancers, diabetic kidney disease, worsening chronic heart failure and uterine fibroids which are prevalent in the Asia-Pacific population.
The combined peak annual sales potential of these projects is estimated to be at least six billion euros globally.

To ensure that the Asia-Pacific population is well represented in its clinical development activities, the company has a robust clinical development programme, which systematically recruits patients from the Asia-Pacific region as part of global clinical trials. The number of ongoing clinical trials conducted has more than doubled from 21 in 2007 to 50 in Asia-Pacific in 2016 and 18 of them are in Singapore alone.

In 2016, Bayer continued to expand its collaboration with esteemed scientists, academia, medical institutions and startups in Singapore and across the region. Last December, Bayer broadened its partnership with the National University of Singapore from classical clinical research to open innovation platforms with the launch of Grants4Apps(R) Singapore.

"Partnership is core to our innovation strategy at Bayer. We believe in driving innovation across the value chain by embracing different forms of collaboration, from classical research alliances to new models of open innovation which foster engagement and entrepreneurship of the wider community," said Dr Foo.


PetroVietnam surpasses business targets in Q1
03/Apr/2017 Intellasia | VNA

The Vietnam National Oil and Gas Group (PetroVietnam) surpassed its business targets by 4-16 percent, especially oil exploitation, in the first three months of the year.

Total revenue of the group topped 117.1 trillion VND (5.14 billion USD), exceeding its quarterly plan by 16 percent. The group posted an after-tax profit of 5.1 trillion VND (224.1 million USD), 18 percent higher than its target or accounting for 30 percent of yearly plan.

During the period, PetroVietnam's tax payment to the state budget was 20.8 trillion VND (914.1 million USD), 12 percent more than its goal and up 19 percent year-on-year.

The group produced about 6.47 million of oil equivalent, surpassing the three-month plan by 5.3 percent. Gas exploitation in the period reached 2.52 billion cubic metres, 5.7 percent higher than the target.

In the first quarter, PetroVietnam produced 5.44 billion kWh of electricity, 1.69 million tonnes of petrol and some 447,000 tonnes of nitrogenous fertiliser.

The PVN said that its industrial production value was estimated at 116 trillion VND (5.1 billion USD) in the quarter, surpassing the target by 7.4 percent and accounting for 27 percent of its yearly plan.

In a bid to fulfill plan for the second quarter and the whole year, PVN general director Nguyen Vu Truong Son said that the group has focused all resources and measures on ensuring the effective operation of its five core areas of oil and gas exploration and exploitation, electricity, gas, petrochemical industries and high-tech services.

It will also continue strict management of oil and gas exploring and exploiting activities and giving priority to major projects like Ca Rong Do (Red Emperor) and Ca Voi Xanh (Blue Whale).

Particularly, the group will continue its business restructuring plan in 2016-2020 as approved by the prime minister.

In 2017, PVN strives to exploit some 23.81 million tonnes of oil equivalent, generate 20.1 billion kWh of electricity, and produce 1.52 million tonnes of nitrogenous fertiliser and about 6.8 million tonnes of gasoline.

http://en.vietnamplus.vn/petrovietnam-surpasses-business-targets-in-q1/109582.vnp

Tetra Pak Vietnam building factory in Binh Duong
03/Apr/2017 Intellasia | VN Economic Times

$110 million packaging factory to be completed in 2019.

The Tetra Pak Vietnam JSC will invest $110 million in building a factory in southern Binh Duong province this year, according to general director Robert Graves.

Construction of the factory, with a capacity of 20 billion packaging products per year, is expected to be completed in 2019.

Vietnam is among the Top 10 biggest consumption markets of the Tetra Pak Group, he went on. Per person consumption of milk, however, a major user of Tetra Pak's products, remains relatively low, at only 22.7 litres per person per year, compared to an average of 80 to 120 litres in Australia, the UK, Canada, and the US.

"We expect milk consumption in Vietnam to reach 28 litres per person shortly," he said.
He also said that changes in Vietnamese drinking habits is helping Tetra Pak to develop. The size of Vietnam's dairy market is about 2.1 billion litres. White milk is nearly 900 million litres, of which more than 90 per cent is in liquid form. Consumption of other milk products, such as flavored milk, milk for infants and children, and powdered milk, is also quite high.

"The trend towards liquid milk will increase as consumers seek more convenience," Graves predicted. Tetra Pak sold about 7.5 billion packaging products in 2016, primarily to the dairy industry. The Binh Duong factory will not only supply the domestic market but also the export market in Asia. Tetra Pak Group has 42 factories around the world. Once in operation, its Vietnam's factory will be one of its five largest.

From 2010 to 2015, milk production in Vietnam increased nearly 70 per cent, from 1.2 billion litres to 2.1 billion litres, according to Euromonitor research.

Vietjet launches Hanoi - Siem Reap route

Vietjet officially opened its international route, connecting Hanoi and Siem Reap (Cambodia) on Thursday.

The route operates daily, and takes 1 hour 45 minutes per leg. The Hanoi-Siem Reap flight takes off from Hanoi at 4.55pm and lands in Siem Reap at 6.40pm (local time). The return flight departs 7.30pm (local time) and arrives at 9.15pm.

Siem Reap is one of the world's most popular tourist destinations, thanks to its proximity to the world cultural heritage Angkor temples, Vietjet said, adding that the new routes are expected to meet the increasing travel demand of travellers from the two countries.

Vietnam's FPT Japan hailed for strengthening bilateral ties

FPT Japan, a branch of Vietnam's largest software producer FPT Software, has been hailed for its outstanding contributions to promoting the country's IT potential to the world and boosting Vietnam-Japan ties.

It was presented a certificate for merit on March 30 by minister of Information and Communications Truong Minh Tuan during his working visit to Japan.

As a Vietnamese IT company leading in discovering new markets, FPT has helped enhance the status of Vietnam, said minister Tuan at the event that took place in FPT Japan's office in Tokyo.

He also expressed his hope that FPT Japan will continue its development and every staff will be an envoy to deliver culture and spirit of Vietnamese, thus tightening friendship and cooperation between Vietnam and Japan.

Vietnam will continue to collaborate with the Japanese government to promote career guidance programmes, training for IT engineers, and research on new technologies, Tuan added.

For his part, Tran Dang Hoa, director of FPT Japan, thanked the Ministry of Information and Communications and Vietnamese Embassy in Vietnam for supporting FPT Japan since its inception 12 years ago.

FPT Japan is now one of the 50 top IT firms in Japan with earnings of 128 million USD in 2016, a year-on-year increase of 49 percent, he said.

It is also the biggest foreign company in Japan in terms of staff with 760 employees working at four offices in Tokyo, Nagoya, Osaka and Fukuoka, Hoa noted, adding that the firm plans to expand its size to 2,000 - 3,000 employees.

The firm will continue working to become one of the 40 largest IT companies in Japan, contributing to strengthening relations between the two countries.

Siemens launches new version of TIA Portal

Siemens has officially launched a new version of its TIA Portal in Vietnam, which will shorten the time to market for machine manufacturers and increase the productivity of end users.
The TIA (Totally Integrated Automation) Portal interacts with other systems and exchanges data through open interfaces.

Version 14 of the portal is enriched with a wide range of new features for digital enterprises and the requirements of Industry 4.0.

From their private cloud, users can access the plant controller with the new TIA Portal Cloud Connector, or use MindSphere, the Siemens cloud solution for industry, for additional digital services from Siemens.

"There can be varied machine and system components in an engineering process, making it complex and challenging to manage. With added features such as simulation via a digital twin, an open interface system and cloud solutions, processes and data can be seamlessly integrated via the TIA portal, reducing commissioning time, redundant workflows and increased flexibility," said Siemens Vietnam vice President Tindaro Michele Danze.


Peugeot Scooters celebrates return to Vietnam

03/Apr/2017 Intellasia | VNA

French automaker Peugeot held an event at the Vietnam Embassy in France on April 1 to mark the return of its high-end scooters to the Southeast Asian country after 60 years.

At the event, Vietnamese Ambassador to France Nguyen Ngoc Son said the comeback reflects the Vietnamese market's appeal to foreign investors.

Peugeot Scooters' distribution network in Vietnam will benefit local consumers in terms of prices and services, he added.

Eric Mougin, Marketing and Style director at Peugeot Scooters, said the company has studied the Vietnamese market to come up with a suitable business strategy.

Peugeot scooters were once very popular in Vietnam, while recent technologies have made them cope well with the local weather conditions, he noted.

He said Peugeot sees little competition in the local market segment of high-end scooters, expressing his belief in potentials and opportunities Vietnam could offer.

The event also honoured two French nationals - Samuel Felice and Ambroise Prince, who have travelled from Paris to HCM City on the Peugeot Django scooter. Their journey spanned 12,000 km through 14 countries.

The men said they were inspired by a journey on Peugeot S57 scooters from Sai Gon (now HCM City) to Paris made by two French 60 years ago.

They said the memorable road trip has enabled them to meet interesting people and behold beautiful landscapes.

Peugeot is placing high hope on success in the Vietnamese market for further expansion to neighbouring markets, such as China, India and Indonesia.


Real estate sector sees positive sentiment in 2017

04/Apr/2017 Intellasia | The Saigon Times

The real estate market has been recovering since late 2014, said Dang Phuong Hang, managing director of CBRE Vietnam, and it will remain buoyant this year but challenges will begin emerging.

A more sustainable market

The real estate market will continue growing in the foreseeable future but at a slower pace than in 2015-2016, Hang said. Investors and buyers are now more cautious after two years of feverish expansion, which is evident in a sharp pickup in supply.

After many years of volatility, the market has become more balanced, with mid- and low-end condos accounting for a major proportion. Investors now offer more reasonable prices and try to make their products different from others in terms of quality and design, especially in the high-end segment.

This year, developers will hand over the homes they sold in late 2014, thus instilling confidence in homebuyers. Homebuyers always pay attention to whether the quality of products delivered is as good as committed by developers.

"The development of the market depends much on buyer confidence. If product quality is as high as committed, buyers will have more confidence in the market and continue investing," said Hang.
The home-to-let segment will have a high level of fragmentation and strong competition, triggered by abundant supply, so profit may be lower than expected. Homes which are of high quality, conveniently located and professionally managed can enjoy high rentals, hence high profits.

In the first quarter, there were an additional 5,083 apartment units launched by 21 projects, down 44 percent from the preceding quarter and 49 percent from the year-earlier period, according to CBRE data. The mid-end segment made up the highest proportion, 52 percent.

Regarding successful transactions, apartment sales in quarter one reached 6,051 units, a 47 percent quarter-on-quarter decline and a 29 percent year-on-year fall. However, the market was more balanced. The number of people who bought homes to meet their own needs was on the rise, and they made up 31 percent of successful transactions in January-March, up from 23 percent in the same period of 2016.

Much room for growth

Hang said the Vietnamese real estate market will remain appealing to foreign investors this year. In 2016 real estate was the second most attractive sector to FDI, with a total of $345.5 million pledged, 10 percent of all FDI approvals in Vietnam. Authorities turned more cautious and took measures to control FDI flows into the sector. Therefore, investors did what was committed, improved the quality of products, reported less delays and disbursed capital as pledged.

This year, FDI is projected to flow into segments like homes, office space, hotels and resorts, especially in coastal areas.

Explaining why real estate is growing attractive to foreign investors, Hang said, investors can expect to make some profit from any channels of investments such as housing, commercial centers and industrial parks. Vietnam's macro economy is more stable than other regional countries, and youths with rising incomes have higher demand for housing. In addition, opportunities for investment in infrastructure projects in the form of public-private partnership (PPP) abound.

Free trade agreements such as the Regional Comprehensive Economic Partnership (RCEP) and most recently the EU-Vietnam Free Trade Agreement (EVFTA) will help lure more capital into Vietnam. Besides, technology, e-commerce, education and healthcare are also the potential sectors for investors, so real estate associated with these sectors will grow this year.

Dang Phuong Hang takes up the post of managing director at CBRE Vietnam today, April 3. Hang has been active in the real estate field since 1994. She served as researcher, consultant and broker at Richard Ellis until 1998. Later, she moved to Cushman & Wakefield Vietnam to assume the post of CEO. Prior to joining CBRE, she spent two years working as retail deputy director of Vincom, directly responsible for sales at this company.


Retail power market eyes competitive future

Prime minister Nguyen Xuan Phuc in February issued Decision No 168/QD-TTg approving a five-year (2016-20) restructuring plan for the electricity sector. Dinh Quang Tri, deputy general director of Electricity of Vietnam (EVN), told the Vietnam News Agency that the plan envisages increased transparency and competition in the sector.

Q: What is the role of EVN in the plan? Which solutions will the group have to carry out to achieve the plan's set targets?

A: Vietnam's electricity sector includes EVN and other State-owned economic groups and corporations like the Vietnam National Oil and Gas Group (PetroVietnam), Vietnam National Coal and Minerals Group (Vinacomin), the Da River Corporation as well as other investors.

EVN plays the key role in power production and supply.

The PM has assigned the Ministry of Industry and Trade (MoIT) the task of directing relevant agencies in implementing the plan. EVN will be responsible for restructuring businesses in the electricity sector.

EVN has 100 percent capital in three big power generation corporations and plants that play an extremely important role in the country's socio-economic development and national security.

The group also owns 100 percent of the National Power Transmission Corporation, five other corporations that manage power distribution, trading and market operations.

Based on the five-year plan, we've come with a project to restructure businesses under EVN's management. We have submitted the project to the MoIT and the PM for approval.
E VN has drawn up specific restructuring plans for its member companies with the aim of enhancing transparency in the costing of power generation, transmission, distribution and trading. It also seeks to promote healthy competition among units participating in the power market.

The group will equitise the Power Generation Corporation 3 (GENCO 3) this year and GENCO 1 and 2 in 2018.

We will also help power corporations separate power distribution costs and retail costs, towards increasing transparency in the pricing mechanism.

E VN will also transform the National Load Dispatch Centre (the System Operator) into a one-member limited company with an accounting mechanism independent of the group.

It will submit a plan for this to the MoIT and the PM in 2018 for approval.

We are working with the ministry in approving or submitting plans relating to big power plants that are extremely important for socio-economic development and national defence.

We are also working on regulatory mechanisms for power corporations in the wholesale market.

In addition, we will restructure power distribution companies to compete on an equal footing with other businesses in the retail market, starting in 2021 before officially launching (the competitive retail market) in 2023.

Q: What will be the role of GENCOs in attracting investment and directly participating in the competitive power wholesale market after their equitisation?

A: As the PM has approved, E VN will equitise the three GENCOs in two phases.

For the 2016-18 period, GENCOs will remain under E VN's management, with the group holding at least 51 percent of their shares. In 2019-20, the group will consider reducing its controlling stake in the GENCOs. The GENCOs will cease to be E VN subsidiaries after two years of equitisation.

Currently, the GENCOs are having difficulties in investing in power projects. The group has submitted to the PM a restructuring plan for them, under which they can sell a part their equity in power generation companies to improve their financial capacity to ensure a debt to equity ratio of less than three as per the law.

This would help E VN and GENCOs ensure reciprocal capital for attracting investment into new power projects.

E VN has also suggested that the PM allows the GENCOs put up shares worth more than half of their charter capital in their IPOs. If their shares are not sold out, E VN would continue to hold controlling stakes in these corporations and divest later.

The GENCOs will continue to participate in the competitive wholesale power market after their equitisation.

Q: How will the five power corporations be structured as the power distribution and retail costs are separated?

A: According to Decision No 168, in the 2016-2020 period, all the five power corporations - the Northern Power Corporation, the Central Power Corporation, the Southern Power Corporation, Hanoi Power Corporation and HCM City Corporation - will remain one member limited companies in which E VN holds 100 percent of the charter capital.

During this period, E VN will also continue holding 100 percent of the charter capital in companies managing power grid distribution.

Firms engaged in retail trading of electricity will be equitised following the development of the power market.

As of now, the five corporations are managing both power distribution and retail trading.

According to the roadmap for developing the domestic power market, retail trading will be separated from management of power grid distribution starting from 2021.

After that retail trading units will compete to each other and other private companies to sell electricity to customers.

http://en.vietnamplus.vn/retail-power-market-eyes-competitive-future/109663.vnp

Social enterprises have trouble landing capital in Vietnam

04/Apr/2017 Intellasia | VOV

On the face of it, social enterprises seem to make perfectly good sense for a country like Vietnam, said Thai Thi Huyen Nga, programme officer of the Centre for Social Entrepreneurship Development at a recent conference in Hanoi.
Promoting a business model that can do good work in society addressing problems such as poverty while also being self-sustaining seems like the perfect solution to many of the country's challenges.

However, Miss Nga noted, the fragmented social enterprise ecosystem in Vietnam lags decades behind that found in the UK and other developed nations, leaving the country's entrepreneurs facing many headwinds.

She added that finding the financial capital to start and get a successful social enterprise up and running is the number one challenge facing the development of this business model in Vietnam.

What is a 'Social Enterprise'?

The meaning of 'Social Enterprise' differs from country to country. In the UK, they are defined as businesses that exist to address public or environmental needs.

However, in the US, the focus is on for-profit businesses that look to simply create or bring about some new and positive change in the world.

In many other parts of the world, such as Vietnam, there simply is no properly legislated definition of such a blended organisation.

This means that Vietnamese are left with the layman's definition of social enterprise, of which there appear to be two - a nongovernmental organisation that generates part of its own income through commercial activity - or a business that exists to profit and do good in the community.

The state of social enterprises in Vietnam

There are now only about 200 such societal enterprises in Vietnam employing very few and contributing little to the gross domestic product, according to speakers from the British Council, one of the conference organisers.

This compares to some 55,000 such businesses in the UK that gross nearly $34 billion and contribute roughly $10.5 billion to the country's GDP per annum, the speakers noted.

They said the segment in the UK employs a total of 475,000 workers and 300,000 volunteers, which equates to such enterprises employing 5 percent of the total number of workers in the private sector.

Meanwhile, Nguyen Duc Thanh, director of the Vietnam Institute for Economic and Policy Research (VEPR) has issued a report warning that there is very little international support for these enterprises in Vietnam.

In the report, the VEPR states bluntly that the country cannot look to international financial sources for their development but must make full use of local aid especially donations from businesses in the domestic private sector.

Echoing the views of Miss Nga, the report indicated that the main challenge faced by such enterprises in Vietnam, relates to generating enough investment capital or donor funding to pave the way towards sustainability.

Most such enterprises have discovered that international donors will only recognise a registered nongovernmental organisation and will not - in most instances - support a for-profit registered organisation, no matter how socially beneficial it is.

On the other side of the coin, from an enterprise development or venture capital perspective, the road to sustainability for a such enterprises are invariably long and fraught with risks, making it an unattractive investment vehicle in most cases.

Therefore, the VEPR report asserts it is fundamentally critical that a simple legal framework for the operation of social enterprises be expeditiously completed and placed in operation in Vietnam.

The challenge for the government is to find a way to make the support of such enterprises in Vietnam attractive to domestic private sector companies to fund as part of their corporate social responsibility initiatives.

Currently, there is little incentive beyond moral compulsion for those with money to support businesses in Vietnam with a social mandate.


Business Briefs April 04, 2017

04/Apr/2017 Intellasia |
* The State Capital Investment Corporation (SCIC) has announced to sell 10.8 million shares of Can Tho Agro Products and Food Export Joint Stock Company via put-through deals at the starting price ofVND10,000 each. Earlier, SCIC failed to offload this volume, equivalent to a 98.3 percent stake, at auction. Can Tho Agro Products and Food Export Joint Stock Company has total chartered capital of VND110 billion and generates export sales ofUS$10 million to $20 million a year.
* Hoang Quan Mekong Consulting-Trading-Service Real Estate Corporation has offloaded over 9.8 million shares of Hoang Quan Consulting to reduce its ownership from 5.7 percent to 3.4 percent.

* Coteccons Construction Company (CTD) has decided to establish Covestcons Company with its registered capital estimated at VND26 billion. The affiliate will specialise in real estate consulting and trading.

* NBB Investment Corporation (NBB) will issue nearly 32 million shares to raise its capital from VND696 billion to VND 1 trillion this year. The firm plans to sell the new shares to existing shareholders at VND10,000 each. Meanwhile, NBB has approved a plan to allow HCM City Infrastructure Investment Company (CII) to raise its holding in NBB to 35 percent.

* Do HUll Ha, chair of Hoang Huy Investment Services Company (HHS), has registered to buy 10 million HHS shares within around one month starting from April 5, raising his holding from 1.7 percent to 5.4 percent.

* Licogi 16 Company (LCG) expects to earn a consolidated profit of VND13.5 billion in the first quarter of this year, up 40 percent from the same period last year. Its revenue was expected to increase 60 percent to VND220 billion in the January-March period.

* Tay Ninh Trade & Tourism Company has obtained approval to trade over 4.5 million shares on the Hanoi Stock Exchange with the stock code TIT.

* Dinh Thi Thuy, deputy general director and chief accountant of Vietnam Construction and Manpower Company (CMS), has registered to buy 600,000 CMS shares from now to April 28.

* Portserco Logistics Company (PRC) has announced April 11 as the ex-dividend date for shareholders to receive a 2016 dividend in cash at 20 percent. The enterprise will make payments on April 25.

77 enterprises get National Quality Award 2016

04/Apr/2017 Intellasia | VNS

Seventy-seven enterprises were honoured on Sunday with the National Quality Award for outstanding performance in 2016.

Fifteen businesses won the golden prize, eight of which are large-scale manufacturing companies such as Binh Son Refining and Petrochemical Co Ltd, DOJI Gold and Gems Group, Nam Ha Pharmaceutical JSC, TH Milk JSC, Vietnam Paper Corporation, Vietnamese Ceramic JSC, Thanh Thanh Cong Tay Ninh Sugarcane JSC and Delta Sport JSC.

Binh Son Refining and Petrochemical has won the award for the second time in four years.

Other gold award winners include six small- and medium-sized production enterprises (SMEs), and one service firm.

Among the 62 silver award winners, 25 are large enterprises and 37 are SMEs in the fields of manufacturing and service.

In addition, this year, three Vietnamese companies - Civil Engineering Construction Corporation No 4 (Cienco 4), Electrical Equipment Company (THIBIDI) and Lam Dong Pharmaceutical JSC - received the Asia Pacific Global Performance Excellence Award.

Speaking at the awards ceremony, deputy prime minister Vu Duc Dam encouraged enterprises to continue innovating and improving quality and productivity to boost growth and satisfy tough customers.

This is the only award for quality handed out by the government, and is determined by the prime minister.

Initiated in 1999, the annual award reviews, assesses and recognises businesses with excellent performances and outstanding achievements in innovation, improving quality and contributing to the country's productivity.

Over the past 20 years, 1,700 awards have been presented, and 37 domestic enterprises have been honoured with the Asia-Pacific Global Performance Excellence Award.


City firms asked to 'say no to informal charges'

04/Apr/2017 Intellasia | The Saigon Times

The HCM City government calls on the business community to "say no to informal charges" in an effort to make the investment environment more friendly to business, as the city's competitiveness is not as high...
as expected due to hindrances such as harassment by officials. An improved business environment will help the city achieve higher economic growth.

Although the city's economy continued to achieve high year-on-year growth in the first quarter, the Vietnam Chamber of Commerce and Industry (VCCI) has recently pointed out a decline in the city's 2016 Provincial Competitiveness Index (PCI), said a representative of the Department of Planning and Investment in a report last Friday.

Five indicators recorded a considerable average reduction, including legal institutions (down 0.79), business support services (down 0.18), fair competition (down 0.15), government action (down 0.02) and transparency (down 0.01).

The planning department's representative suggested the city should focus on measures to better the investment environment and improve the point of the above five indicators.

This quarter, the HCM City government will eradicate or propose removal of as many cumbersome and unnecessary administrative procedures as possible to lower the cost of compliance, focusing on areas where enterprises are facing difficulties such as insurance, land, tax, customs and labour.

In addition, the city will boost the transparency of its business environment to bring down and get rid of informal charges that enterprises are shouldering. Supervision will be enhanced to repress red tape, corruption and profligacy, and improve policies and mechanisms for some sectors where corruption is prevalent.

"The city will call on the business community to "say no to informal charges", actively equip themselves with skills for information use and dealing with behaviors and manifestations of the lack of transparency in administrative procedures," the HCM City government talks about the tasks for the coming time.

The report published by the HCM City Department of Planning and Investment last Friday reveals total retail sales of goods and services in the first three months of 2017 reached VND227.54 trillion, up 12 percent year-on-year.

The city's consumer price index (CPI) in March dropped 0.09 percent over the preceding month, with three groups of items registering a slight fall: food and catering services; culture, entertainment and tourism; and other goods and services. Compared to March 2016, the CPI rose 5.6 percent.

Gross regional domestic product (GRDP) in the first three months of 2017 amounted to VND235.93 trillion, up 7.46 percent over the same period last year. Specifically, service picked up 7.95 percent, industry and construction 6.67 percent and agriculture 5.63 percent.

HCM City has laid down an economic growth target of 8.4-8.7 percent for 2017, yet the growth rate in the first quarter was only 7.46 percent, so the city must work hard in the remaining time to achieve the goal for the whole year, said HCM City Chair Nguyen Thanh Phong.

Talking on the specific tasks, Phong asked leaders of agencies concerned to work out solutions for development of the key industries, supporting industries, trade in services and the major agricultural products of the city in the near future.

He said indicators such as "legal institutions", "business support services", "fair competition" and "Government action" should receive due attention.

HCM City to offer soft loans to manufacturing firms

The HCM City People's Committee plans to offer low-interest loans of no more than 200 billion VND (8.8 million USD) with a maximum seven-year term to enterprises operating in the manufacturing or support industry.

The aim is to reduce the number of imports by helping domestic companies buy more advanced equipment that can make high-value products.

Vietnamese enterprises and business groups operating under the Enterprise Law and Cooperative Law, and non-business units having investment projects, are eligible to receive the loans.

The city would cover 70 percent of the interest rate on loans taken out for construction projects and 85 percent of the interest for equipment and technology projects.

If companies need more than 200 billion VND and a longer loan term, the People's Committee will consider each case and seek support from other sources.

For loans in foreign currency, the city's budget will support interest on loans at exchange rates issued by the State Bank of Vietnam.
The city will cover 100 percent of the loan's interest rate for projects related to environmentally-friendly equipment and renewable energy or the latest automatic technologies (controlled by computer software). Half of the interest rate will be covered for projects that include construction of exhibition centres and provision of gas and chemicals for factories and research laboratories. Projects on design, research and development of products for supporting industries and industry in general will also pay only 50 percent of the interest.

Interested enterprises can register at the city's Department of Industry and Trade. The city's People's Committee said it would issue a decision on each project submission within 15 days.


Real estate startups jump in first quarter
04/Apr/2017 Intellasia | The Saigon Times

The real estate sector took the lead in the number of startups as well as the growth rate, with 924 firms established in the first quarter this year, up a staggering 55 percent year-on-year, according to the Business Registration Agency under the Ministry of Planning and Investment.

The agency said the January-March period saw a rise in new firms in almost all sectors.

After the property sector, new enterprises in the power, water and gas generation and distribution sectors came second in terms of growth rate, with 200 firms, up 32 percent year-on-year, while the education and training sector took the third position with 640 freshly-established firms, surging 28 percent.

In addition, new businesses in the sectors of finance-banking-insurance and agriculture-forestry-aquaculture stood at 269 and 461 in the first three months, up 26 percent and 16 percent respectively.

Data of the agency showed the country had 26,478 newly-established enterprises with total registered capital of around VND271 trillion (US$11.9 billion) in the first three months of this year, up 11.4 percent in number and 45.8 percent in capital over the same period last year.

Besides, operational firms registered to inject an additional VND325.4 trillion in the period, bringing the total amount of fresh capital registered by businesses in the three-month period to over VND596.6 trillion.

Meanwhile, nearly 9,200 enterprises have resumed operation in the first quarter after a period of suspension.

The average registered capital of an enterprise in January-March was VND10.2 billion, a pickup of 30.9 percent compared to the same period of last year.

Last month alone, 12,027 enterprises were registered with total capital of VND118.7 trillion, rising 120 percent in number and 90.6 percent in capital against a month earlier.


VN sports betting market attracts billions of US dollars
04/Apr/2017 Intellasia | Vietnamnet

Soon after the government of Vietnam approved sports betting, investors began plans to pour millions of dollars into projects.

The government's Decree 06 allowing Vietnamese nationals to bet on horse and dog races as well as international football has been compared to 'an arrow aimed at many different goals'. It promotes the dynamism of the economy, creates entertainment models, and eases 'foreign currency bleeding' across border gates.

There are no official statistics about the amount of foreign currency flowing into international betting companies from Vietnam, but analysts say it is a huge amount.

The Hanoi Police last year discovered two illegal football betting rings worth VND7.6 trillion. That is why analysts believe the Vietnamese betting market may be worth billions of dollars a year.

Oliver Massmann, a lawyer from Duane Morris, said many Vietnamese go abroad to gamble. With the decree, Vietnam will no longer lose millions of dollars to betting companies in neighbouring countries.

The legalisation of betting on horse racing and football is expected to not only provides entertainment, but also brings the state big money from taxes, estimated at hundreds of millions of dollars a year, thus easing the public debt.

The new policy on sports betting is also expected to make the investment environment in Vietnam more attractive.

After two years of a FDI boom in Vietnam, some experts said that if there are no big changes, it will be difficult for Vietnam to gain high achievements in attracting FDI this year as it did in the last two years.
They warned that the demise of TPP, the challenges from protectionism applied by large economies and Samsung's political scandal may affect FDI flow to Vietnam.
"The government has loosened the policy on casino and sports betting to lure more FDI and attract more travellers," said Bach An Vien from KIS Vietnam Securities.

Several investment projects capitalised at millions of dollars each have been designed, targeting the sports betting sector.

These include a $1.5 billion horse race course in Hanoi by G.O. Max I&D from South Korea, a race course in Da Nang City by Matrix Holdings from Hong Kong and a $500 million complex of golf and horse race courses by Global Consultant Network from South Korea.

Australian Golden Turf Club has projected a $100 million horse race course in the central region, while Vietnamese Dai Nam JSC has opened a $100 million horse race course in Dai Nam Tourism Complex in Binh Duong province.

Giant projects heat Phu Quoc Island's property market
04/Apr/2017 Intellasia | VNS

Phu Quoc Island is emerging as a phenomenon in Vietnam's property market with investment worth billions of dollars from large developers, helping draw a slew of investors and buyers looking for investment properties.

The island off the coast of Kien Giang Province has witnessed an amazing transformation, with a series of world-class projects being developed to turn the island into a special economic zone and a tourist hub of not only the region, but also the world.

Phu Quoc, planned as one of three exclusive economic zones in Vietnam, has introduced incentives such as zero land lease fee, 50 per cent discount on personal income tax and corporate income tax, which has made investment here even more attractive.

The infrastructure system on the island is also developing rapidly with the expansion of the airport and the road system across the island.

Notably, the prime minister has given the nod to developing a casino project on the island, which experts see as a potential breakthrough for the island's tourism industry in particular and for socio-economic development in general. The government has also agreed to allow Vietnamese to play in casinos under a pilot project.

A number of developers, namely Vingroup, BIM Group, Sun Group and CEO Group, have flocked to the island and poured money into building mega resort and recreation projects. Individual investors have also raced to buy land on the island, lifting prices by some three times within just a few months, especially beachfront land.

A report by Savills Vietnam showed that 80 per cent of buyers of property assets on Phu Quoc Island came from Hanoi and 15 per cent came from HCM City, mainly for investment and holiday purposes.

Can Tho welcomes 1.86 million visitors in Q1
04/Apr/2017 Intellasia | The Saigon Times

Nearly 1.86 million tourists visited Can Tho City in the first quarter, up 10 percent over the same period last year.

Le Minh Son, deputy director of the Department of Culture, Sports and Tourism, said there were around 450,000 visitors staying overnight in the city, including more than 75,000 foreign visitors. The city reported some VND500 billion in tourism revenue, up 2 percent over the same period last year.

About 70 percent of visitors to Can Tho preferred farm tours, and Cai Rang floating market and Can Tho Bridge were among the places of interest.

Nguyen Hoang On, director of the Can Tho Tourism Development Centre, said that in the next quarter, Can Tho is expected to attract more tourists as it will hold several festivals such as Southern folk cake festival, Tan Loc orchard festival, Cai Rang floating market festival, Ninh Kieu illumination festival and Phong Dien ecotourism festival.

To improve services for tourists, Can Tho's tourism sector has been implementing the Code of Conduct for Tourism launched by the Ministry of Culture, Sports and Tourism. In addition, the city has announced a hotline on 0888 177 666 and a bilingual website at http://tourismcantho.vn to keep tourists posted.
Can Tho expects to welcome 5.6 million visitors this year, including more than 600,000 foreigners, earning VND2,000 billion. Last year, 5.34 million visitors came to Can Tho and tourism revenue amounted to over VND1,800 billion.


Local airlines launch more services

No-frills carrier Vietjet has commenced its Hanoi-Siem Reap service while another low-cost airline, Jetstar Pacific, has announced a new air link between Hai Phong and Dong Hoi cities.

Vietjet last week started to fly between Hanoi and Siem Reap to meet air travel demand of business and leisure travellers. The daily service takes off from the capital of Vietnam at 4:55 p.m. and touched down the Cambodian resort town of Siem Reap at 6:40 p.m., and the departure and arrival times of the return flight are 7:30 p.m. and 9:15 p.m. respectively.

Vietjet said passengers can book discount fares on the new route at vietjetair.com from noon to 2 p.m. every day and use credit and debit cards issued by 29 banks to pay online. They can also buy air-tickets at ticketing offices and agents of the airline nationwide.

With the Hanoi-Siem Reap service included, Vietjet operates around 350 daily flights on 63 domestic and international routes connecting Vietnam and Asian destinations in China, Hong Kong, Singapore, South Korea, Taiwan, Thailand, Myanmar, Malaysia and Cambodia.

Its fleet totals 45 Airbus A320 and A321 aircraft. The carrier has transported nearly 35 million passengers since its debut in late December 2011.

Jetstar Pacific announced last week that it will begin flights between Hai Phong and Dong Hoi in Quang Binh Province from April 29. The airline will operate Airbus A320 aircraft configured with all 180 economy-class seats for service between the two cities on Tuesdays, Thursdays and Saturdays.

As scheduled, Jetstar Pacific's flight will depart from Hai Phong at 5:35 p.m. and Dong Hoi at 7:10 p.m. with a flying time of one hour. Single fares will start from VND450,000 (around $19.78).

The Hai Phong-Dong Hoi is the 40th route of Jetstar Pacific's network of domestic and international flights, which are connected with Jetstar Group's services to 80 destinations in Asia Pacific.

The new route is part of the cooperation deals inked by Jetstar Pacific, Quang Binh Province and Hai Phong to promote tourism in the localities. The carrier currently conducts flights connecting HCM City with the central province and the northern city.

Quang Binh Province is home to multiple tourist destinations, including gorgeous caves in Phong Nha-Ke Bang National Park. Meanwhile, Hai Phong has many places of interest and is a major economic centre of the northern coastal region.

http://english.thesaigontimes.vn/53269/Local-airlines-launch-more-services.html

Malaysians firms look to expand business into VN

Up to 38 per cent of Malaysian enterprises chose Vietnam as their favoured expansion destination in Southeast Asia, the United Overseas Bank's (UOB) Asian Enterprise Reports 2016 shows.

The report, released last Friday, states that 61 per cent of the surveyed Malaysian firms want to invest in Vietnam's manufacturing, 60 per cent are interested in healthcare and pharmaceuticals, and 38 per cent want to put money in the construction and real estate sector over the next three to five years.

The companies said the key factors influencing their choice of expansion destination were stable/improving political and economic climate (41 per cent); large and growing customer demand (40 per cent); favourable tax and regulatory environment (35 per cent); strong local business connections (32 per cent); and government incentives (28 per cent).

Asian enterprises look to expand overseas in order to increase sales, raise competition in the domestic market, limit growth in the domestic market, diversify products and services and control costs.

Vietnam is an attractive destination for investors because of its stable political environment, favourable economic conditions and attractive demographics, the report said.

Vietnam is also forging ahead for international economic integration through participation in multilateral economic initiatives and free trade agreements, such as those with the European Union, Eurasian Economic Union and South Korea.

In 2016, the UOB conducted a survey of Asian enterprises in mainland China, Hong Kong, Indonesia, Malaysia, Singapore and Thailand to explore how they are capitalising on business opportunities based on
global and regional economic trends and trade flows.
The research also examined the challenges Asian businesses are facing, their strategies and plans to fuel the
next stage of growth, and their preferences and considerations when expanding regionally.
A total of 2,500 business leaders - key financial decision-makers of Asian enterprises - participated in the
research. Businesses that were included in the survey had to be in operation for at least three years.


Carlsberg affirms Vietnam as key market
04/Apr/2017 Intellasia | VIR
Carlsberg Group, one of the leading brewery groups in the world, will continue to target Vietnam as one
of its key markets in Asia to cash in on the lucrative local beer market.

"With the average annual consumption rate of 33 litres, against Denmark's 80 litres, Vietnam remains our
firm's key long-term investment destination in the coming years. Carlsberg Vietnam invested $100 million
in the local market over the past four years, mostly in the Huda and Tuborg brands in its Hue and Hanoi
plants," said Tayfun Uner, CEO of Carlsberg Vietnam.

Asia accounts for almost 40 per cent of global beer consumption, and makes up 28 per cent of Carlsberg
Group's operating profit.

Carlsberg Vietnam is planning to make new product designs as a way to boost its footprint in the local
beer market.

Late last week, the company officially introduced the new design for Huda. The outstanding new look is
brought on as Huda's strong commitment to rewarding consumers with a high-class drinking experience,
offering consistent high quality, therefore inspiring the people of Central Vietnam by their hometown's
quintessence and specialties.

A well-known brand of excellence and high-quality over the past 27 years, Huda continues to impress
consumers with its dynamic and modern image. The bottle neck and front labels were inspired by Central
Royal architectural elements like the "window," which represents the Citadel's dragon scale pattern. The
bottle's silver colour expresses the freshness and premium quality of the Huda brand and creates a perfect
harmony with the green color which enhances its elegant look.

"The launch of the new Huda cans and bottles marks a milestone and plays a crucial role in Carlsberg
Vietnam's strategy in affirming our position in Central Vietnam as a dynamic company, always leading and
grasping the latest trends in the competitive beer industry for meeting domestic as well as foreign consumer
demand. This also shows the company's commitment to pursue perfection in brewing every day to better
serve our consumers," said Tayfun.

At the same event, Carlsberg Vietnam also announced that Huda and Huda Gold were granted Silver and
Gold medals at the Berlin International Beer Competition in Germany in March 2017.

In addition to Huda, the Tuborg brand will receive a new design soon. Carlsberg has invested $20 million
in the production of Tuborg in April 2016 to boost its presence in North Vietnam. The consumption of this
new product was estimated at eight million litres in 2016.

Beside the new designs, Carlsberg will expand in the northern region by increasing its stake in Hanoi
Beer Alcohol and Beverage JSC (Habeco). Habeco, in which the state holds an 82 per cent interest, has an
annual total production capacity of 800 million litres of beer, ranking among the top three domestic beer
producers.

"We are still waiting on the government to greenlight our expansion plans," Tayfun added.

Penetrating the Vietnamese beer market as one of the first Danish multi-national investors in 1993,
Carlsberg Vietnam's market share has increased to 10.8 per cent from 7.1 per cent in 2012, snatching the
fourth place.

Since 2012, after acquiring a 100 per cent stake in Hue Brewery Limited (HBL) in 2011, the market
leader in Central Vietnam, Carlsberg Vietnam increased investment in the Huda beer plant in Thua Thien-
Hue by five-fold, thus increasing its market share in the northern central region running from Thanh Hoa to
Thua Thien-Hue from 46 to 54 per cent.

In particular, the firm invested $60 million in the facility in 2014 to expand its capacity from 250 to 370
million litres a year. In 2016, it also spent $10 million in a canned assembly line at the plant with a daily
capacity of 50,000 barrels.

Carlsberg Vietnam's lineup include Carlsberg, Tuborg, Huda, Huda Gold, Halida, and Beerlao.
Currently, Carlsberg's major products in the northern central region are Huda and Huda Gold, accounting for 80 per cent of the firm's total consumption volume. In the north, Carlsberg, Tuborg, and Halida are the firm's main products.

The Vietnamese beer market, which beer consumption jumped about 40 per cent in 2015 from 2010 to 3.4 billion litres, and reached 3.8 billion litres in 2016 with its citizens of legal drinking age, 18 and above, is luring many other international brewers.

Sabeco, brewer of Saigon Beer and 333 Beer, is the largest brewer with 46 per cent of the market. Amsterdam-based Heineken ranks second with over 20 per cent, followed by Habeco's 17.3 per cent. Heineken, AB-Inbev, SABMiller, Asahi, Kirin Holdings, Singha, Thai Beverage, and Shingha are queuing up to buy into state-owned Saigon Beer Alcohol and Beverage Corp. (Sabeco), while Carlsberg is waiting to buy into Habeco.

http://www.vir.com.vn/carlsberg-affirms-vietnam-as-key-market.html

India firm invests in solar energy project in Binh Phuoc
04/Apr/2017 Intellasia | VNA

The India-based Tata Group conducted a field trip to Binh Phuoc on April 3 and leased 200 hectares of the southern province for its new solar power plant. The plant is expected to have an annual capacity of 100 MW. Other firms, including Alphanam Group and the Vietnam Electricity Group, are also eyeing the local solar energy sector. Binh Phuoc boasts between 2,400 and 2500 sunshine hours per year, with Loc Ninh and Bu Dop districts considered having the highest solar irradiance level.


Vietjet offers one million promotional tickets in celebration of April
04/Apr/2017 Intellasia | VNS

In a move to welcome the start of the summer season, Vietjet has announced the start of three golden days, in which one million promotional tickets will be on sale, priced from as low as zero dollars, at www.vietjetair.com. The promotion, which is available on all domestic routes, continues Monday through Wednesday from noon to 2pm. Tickets may be used from May 1 to December 20. Payment can be made with debit and credit cards, including Visa, MasterCard, JCB, KCP and American Express, as well as ATM cards issued by 29 banks in Vietnam that have been registered for internet banking.

"To prepare for coming trips this summer, April is the best time for travellers to "hunt" for affordable tickets," the airline said. With promotional tickets good throughout the year, Vietjet is expected to offer its passengers with a memorable and exciting travel season.


Vietjet reports record profit
04/Apr/2017 Intellasia | VNA

The VietJet Aviation Joint Stock Company recorded revenue and an after-tax profit of 27.499 trillion VND (1.209 billion USD) and 2.496 trillion VND (109.7 million USD) in 2016, up 39 percent and 113 percent from the previous year respectively. The company's after-audit profit increased by 206 billion VND (9.06 million USD), while earnings per share (EPS) was 9,586 VND. Therefore, as of December 31, the total assets of Vietjet reached 20.063 trillion VND, up 67 percent year-on-year. The results were attributed to the opening of new air routes, effective use of existing routes and good management of operation cost. Last year, Vietjet took 41 percent of the domestic aviation market share. In 2017, it plans to open four new domestic and 22 international air routes, raising its total routes to 86./.

http://en.vietnamplus.vn/vietjet-reports-record-profit/109698.vnp
RoK airline opens Da Nang-Daegu route

04/Apr/2017 Intellasia | VNA

A new air route connecting the central city of Da Nang and Daegu city of the Republic of Korea (RoK) was launched by T'way Airlines on April 2.

The airline, the RoK's best low-cost carrier selected by passengers, operates five flights a week on Tuesday, Wednesday, Thursday, Saturday and Sunday.

The opening of the air route is expected to help strengthen cooperation and increase the flow of tourists between Da Nang to Daegu - the RoK's fourth largest city.

Earlier, T'way Airlines launched Da Nang-Seoul air route on July 1, 2016 and another connecting HCM City with Seoul on December 24, 2015.

The airline is planning to open more routes linking Da Nang to Pusan and Muan in 2017 and is considering a service between Hanoi and Seoul in the time to come.

Vietnam food producer Masan Group gets $250 million investment from KKR

04/Apr/2017 Intellasia | Tuoitre News

Vietnamese food producer Masan Group Corp on Monday said it has received a $250 million investment pledge from global investor KKR & Co LP, in the latest move by a foreign firm seeking to tap Vietnam's fast-growing middle class.

Masan in a statement said KKR has agreed to buy $100 million worth of shares from Danish private equity firm PENM Partners, and buy 7.5 percent of Masan Nutri-Science for $150 million.

"With KKR's investment in Masan, we will be in a stronger position to deliver on our commitment to Vietnamese consumers," said Masan chair Nguyen Dang Quang.

KKR invested $359 million in Masan Consumer Corp in 2013. It divested of its stake last year.

"Vietnam holds great opportunity with its growing economy and favourable demographic trends. KKR is committed to investing in the market by partnering with leading companies such as Masan Nutri-Science," said Ashish Shastry, head of KKR Southeast Asia.

Singha Asia Holding Pte Ltd, controlled by Thai tycoon Santi Bhirombhakdi, bought a $1.1 billion stake in Masan Group's consumer goods and beer units in December 2015.

Vedan eyes 15 per cent sales growth

04/Apr/2017 Intellasia | VNS

Taiwanese-owned Vedan (Vietnam) Enterprise Corp., Ltd has set itself a target of growing revenues by more than 15 per cent this year.

Yang Kun Hsiang, the company's general director, said last year its revenues had topped over $300 million, 46.7 per cent of it from exports, mainly of monosodium glutamate, food flavour enhancers, animal feed, fertilisers, and modified starch.

Speaking to journalists who visited the company last week on the occasion of the company's 25th anniversary, he said he was sorry about the 2008 environmental pollution incident, saying "the company accepted responsibility and once again sincerely apologised to the Vietnamese."

Since then the company has invested $33 million in building new wastewater treatment facilities, he said.

They now handle 6,000 cubic metres of wastewater a day, or around two thirds of their designed capacity of 9,500-9,600 cubic metres, he said.

The system sends monitoring results every five minutes to the Dong Nai Department of Natural Resources and Environment.

The company achieved ISO14001 certification for environmental protection, OHSAS 18001 for labour safety and ISO 50001 for energy management.

Ko Chung Chih, deputy general director in charge of external affairs of Vedan, said: "We will open the door to publicise information to the media so that Vietnamese can understand Vedan's efforts to... protect the environment."

He claimed the company had not actively shared with the media and Vietnamese public information about its efforts to protect the environment in the last eight years.

Vedan has so far invested over $580 million in Vietnam.


Company opens major chicken export factory
04/Apr/2017 Intellasia | AFP

The Koyu & Unitek Co Ltd opened a meat processing plant last week with a daily capacity of 50,000 chickens at the Long Binh Industrial Zone in the southern province of Dong Nai as part of its plan to export poultry products to Japan.

The $6 million plant is equipped with advanced machinery imported from Japan and runs following strict hygiene and food safety standards, vietnamplus.vn reports.

The farm is expected to scale up to 720,000 chickens in the next June or July. Most of its breeds have been imported from France, while feed has been provided by De Heus Vietnam.

Nguyen Van Quyen, head of the company's export project board, said Koyu & Unitek is confident to pass the examination, as its production chain is strictly in line with standards set by Japan.

The company expected to sell chicken products in the home market from April and ship its first chicken container to Japan in June or July.


Economy

Vietnam strives to accelerate Initiative for Asean Integration
03/Apr/2017 Intellasia | VNA

Vietnam will make every effort to effectively carry out the work plan of the Initiative for Asean Integration (IAI), which helps narrow the development gap within the Asean bloc and between the community and other regions.

Vietnamese Ambassador Nguyen Hoanh Nam, Head of the Permanent Vietnamese Delegation to Asean, made the confirmation while chairing the 51st meeting of the Initiative for Asean Integration Task Force (IAITF) in Jakarta, Indonesia, on March 31.

Initial achievements were made during the implementation of the work plan, heard the meeting. Specific projects and activities with a combined funding of over 1.76 million USD were mapped out for 11 out of the 26 action lines in the plan.

At the meeting, some countries in the Asean-6 group informed their plans to carry out projects in prioritised sectors as sorted out in the plan. Meanwhile, many Asean partners also showed their interest in supporting the bloc in proper fields.

Financial resources, communication activities and capacity of the CLMV group (comprising Cambodia, Laos, Myanmar and Vietnam) are main barriers hindering the implementation of the work plan, the participants said.

They agreed to step up the dissemination of information about the work plan as well as continue to build projects suitable for each country of the CLMV group.

The participants also consented to make IAI projects public on the Asean Secretariat's website to recognise contributions of the Asean-6 and partners. It also serves as a reference for them to set up new cooperation projects, avoiding duplication.

Speaking to Vietnam News Agency's reporter, Ambassador Nam said that Vietnam will work closely with other ASEAN member states, especially CLMV countries, to set up the most proper mechanism to carry out the initiative.

The mechanism will be established based on national consultations in the CLMV group and regional consultations, he said, adding that the move aims to carry out the IAI Work Plan 3.

According to the Work Plan in 2017, the task force will hold meetings under the chair of Vietnam in July and October.

The IAI Work Plan 3 (2016-2020) was adopted by leaders at the 28th Asean Summit in September 2016 as an integral part of the Asean 2025: Forging Ahead Together to support the three Community Blueprints. The work plan is designed to assist CLMV countries to meet Asean-wide targets and commitments towards realising the goals of the Asean Community.

It consists of five strategic areas, namely food and agriculture, trade facilitation, micro-, small- and medium-sized enterprises (MSMEs), education and health and well-being. The actions are closely aligned with the Asean Community Blueprints 2025 and relevant Asean sectoral work plans.
The IAITF comprising of the ten Permanent Representatives to Asean provides policy guidance and directions in the development and implementation of the IAI Work Plan.


Vietnam beats China in product reputation ranking, but scores below most Asean peers
03/Apr/2017 Intellasia | Vnexpress

Vietnam has been ranked 46th on the Made in Country Index 2017 released by Germany's Statista Market Research Co, which asked more than 43,000 people in 52 countries and territories to look at goods produced in 49 countries and the European Union as a group.

Vietnam hit an index score of 34, while China took the 49th position with a score of 28, said the survey. However, it stood behind most Southeast Asian countries in the survey, except for the Philippines, which ranked 47th.

The index features 10 categories: high quality, high security standards, very good value for money, uniqueness, excellent design, advanced technology, authenticity, sustainability/eco-friendliness, fair production and status symbol.

Vietnam scored low in all categories but "very good value for money", where it made it to the top 10, standing in eighth place. "Made in China" products claimed the top spot as voted by over a third of respondents.

Even "in Vietnam itself, 'Made in Vietnam' does not have a good reputation", the survey said.

Vietnamese consumers like products from Japan the most. Other products most preferred in Vietnam come from Denmark, Australia, the Netherlands and South Korea.

"Made in Vietnam" products are found popular in Ecuador and the United Arab Emirates, where they rank 10th and 20th, respectively.

Germany tops the Made-In-Country Index, scoring 100 points, while Switzerland and the EU are runners-up, scoring 98 and 92, respectively. Iran sits at the bottom of the pile.

In most countries, products from Germany, the US or Japan are the most favoured. Specifically, in 13 of the 52 responding countries, Germany has the best image as a manufacturing country. The US holds this status in eight countries, while Japan claims seven.

Vnexpress


Vietnam, US renew trade dialogue with TIFA meetings
03/Apr/2017 Intellasia | Tuoitre News

US and Vietnam officials met in Hanoi earlier this week for their first Trade and Investment Framework Agreement (TIFA) meeting since 2011 to discuss deepening trade ties and address outstanding bilateral trade issues.

The meeting, held from March 27-28, was also an opportunity for President Donald Trump Administration to reaffirm its commitment to expanding ties with the Asia-Pacific region, including Vietnam, the US Embassy in Hanoi said in a statement on Thursday.

The US delegation, led by Assistant US Trade Representative Barbara Weisel, called on Vietnam to promptly address bilateral issues and launch working groups focused on resolving matters related to agriculture and food safety, intellectual property, digital trade, financial services, customs, industrial goods, transparency and good governance, and illegal wildlife trafficking.

Vietnam also updated US officials on its plans to introduce certain labour reforms.

The meeting reviewed Vietnam's implementation of the World Trade Organisation (WTO) trade facilitation agreement, as well as Vietnam's participation in the expansion of the WTO Information Technology Agreement.

Discussion also covered opportunities for the US and Vietnam to cooperate for the advancement of their common interest in building US-Asean ties.

Asean, or the Association of Southeast Asian Nations, is a ten-member socio-political organisation whose members include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

In his remarks at the meeting, Tran Tuan Anh, Vietnam's minister of Industry and Trade and head of the Vietnamese delegation, welcomed the resumption of talks under the TIFA and efforts to further deepen bilateral trade ties.
In 2016, Vietnam was the US's 16th largest goods trading partner with $52.3 billion in total two-way goods trade.

Vietnam was also the tenth largest export market for US agricultural products in 2016, totalling $2.7 billion.

Bilateral trade in services totalled an estimated $3.1 billion in 2015, according to the US Embassy in Hanoi.


Vietnam may become a target as Trump set to curb 'trade abuses'

03/Apr/2017 Intellasia | Vnexpress

A new study would focus on countries that have chronic goods trade surpluses with the US, including China, Japan and Vietnam.

US President Donald Trump will sign executive orders on Friday aimed at identifying abuses that are causing massive US trade deficits and clamping down on non-payment of anti-dumping and anti-subsidy duties on imports, his top trade officials said.

The orders come as Trump prepares for his first face-to-face meeting with Chinese President Xi next week in Florida, where trade issues promise to be a major source of tension. China was the biggest contributor to the $734 billion US goods trade deficit last year.

The directives allow Trump to focus on meeting his campaign promises to combat the flow of unfairly traded imports into the United States just a week after his pledge to repeal and replace Obamacare imploded in Congress.

Commerce Secretary Wilbur Ross told reporters that one of the orders directs his department and the US Trade Representative to conduct a major review of the causes of US trade deficits. These include trade abuses such as dumping of goods below costs and unfair subsidies, "non-reciprocal" trade practices by other countries and currencies that are "misaligned."

Ross took pains to say that currency misalignment was not the same as manipulation, and only the US Treasury could define currency manipulation. But he said in some cases, currencies can become misaligned from their traditional valuations unintentionally, citing the Mexican peso's sharp decline late last year after Trump's election.

The study also will examine World Trade Organisation rules that Ross said do not treat countries equally, such as on taxation. The United States has long complained that WTO rules allow exports to be exempt from value-added taxes, but do not allow export exemptions from the US corporate income tax. The study also will examine the effects of trade deals that have failed to produce forecast benefits, Ross said.

Ross said he aims to complete the study and report the findings to Trump in 90 days - a time frame that coincides with the expected start of negotiations to revamp the US-Canada-Mexico North American Free Trade Agreement.

The study's findings will underpin the Trump administration's future trade policy decisions, Ross said, and will be the first "systematic analysis" of the trade deficit's causes, "country-by-country, product-by-product."

"It will demonstrate the administration's intention not to hipshoopt, not to do anything casual, not to do anything abruptly," Ross told a White House briefing.

Ross has promised tougher enforcement of US trade laws and more anti-dumping and anti-subsidy cases initiated by the Commerce Department, rather than relying on companies to claim injuries from imports.

He said the study would focus on those countries that have chronic goods trade surpluses with the United States.

China tops the list, with a $347 billion surplus last year, followed by Japan, with a $69 billion surplus, Germany at $65 billion, Mexico at $63 billion, Ireland at $36 billion and Vietnam at $32 billion.

The second trade order to be signed by Trump is aimed at halting the non-payment and under-collection of anti-dumping and anti-subsidy duties the United States slaps on many foreign goods.

White House National Trade Council director Peter Navarro said that some $2.8 billion in such duties went uncollected between 2001 and the end of 2016 from companies in some 40 countries.

Navarro said the order directs the Commerce and Homeland Security departments to close these gaps by imposing tougher bonding requirements to ensure duty collections and new legal requirements for assessing risks associated with importers.

Navarro, a harsh critic of China's trade practices, insisted that the orders were not aimed at sending a message ahead of Xi's visit.
"Nothing we are saying tonight is about China," he said. "This is a story about trade abuses, this is a story about under-collection of duties, this is a story about 40 countries that basically subsidise their products unfairly and send them into our country or dump their products."


Govt determined to keep emissions cut roadmap
03/Apr/2017 Intellasia | The Saigon Times

The government has decided to forge ahead with the country's emissions reduction roadmap which requires new autos running on gasoline to meet the euro 4 emissions standards from January 1 this year as proposed by the Ministry of Transport.

An urgent document signed on Tuesday by deputy prime minister Trinh Dinh Dung reiterates that ministries and agencies must follow the emissions cut roadmap for domestically-assembled and imported autos and motorcycles approved in the prime minister's Decision 49/2011/QD-TTg dated September 1, 2011.

Imported and domestically-assembled autos running on diesel will have more time to meet the euro 4 standards after December 31, 2017. Owners of vehicles approved by the ministry to meet emissions criteria are allowed to move on with relevant registration regulations.

Auto importing and assembly enterprises should map out plans to complete customs and registration procedures for their products, otherwise they will have to re-export vehicles which fail to meet stricter requirements set out in the emissions cut roadmap.

The Ministry of Transport is tasked with overseeing the implementation of the roadmap and telling all auto enterprises to meet euro 4.

Meanwhile, the Ministry of Industry and Trade is assigned to instruct fuel wholesalers to map out plans to supply standardised products as sought by auto importing and assembly enterprises and in line with Decision 49. Infrastructure facilities should have been built in the fourth quarter of this year at the latest to pave the way for the supply of euro 4 standard diesel from January 1, 2018.

According to the roadmap, new autos running on gasoline must meet euro 5 standards from January 1, 2022, while new motorcycles will have to meet euro 3 from January 1 this year.

Earlier, the Ministry of Transport was told to submit a plan to carry out the roadmap to the prime minister for consideration and approval by mid-March while the government Office should work with relevant ministries and agencies over implementing the decision and the roadmap.

In January this year, the ministry requested the government to postpone the euro 4 deadline for passenger vehicles, pick-ups and vans running on diesel until January 1, 2018. The proposed deadline for other diesel-run goods transporting vehicles is January 1, 2022.

Explaining the delay proposal, the ministry said it is expensive to meet the emissions standards of euro 4 since only developed countries can develop compatible technology. Most locally-made autos are pick-ups and passenger vehicles so auto firms must import expensive technology to turn out products in accordance with the emissions standards of euro 4 from January this year as required, thus making it hard for them to compete with imported autos.

Submit plans for special administrative economic zones: deputy PM
03/Apr/2017 Intellasia | VNS

Deputy prime minister Truong Hoa Binh has asked ministries and Quang Ninh, Khanh Hoa and Kien Giang provinces to submit plans to establish special administrative economic zones in these regions.

The plans have to be submitted before April 3 to accelerate the creation of the Law on Special Administrative and Economic Zones.

Binh said the plans should have specific policies and mechanisms that are divided into categories of land use, immigration, finance-banking, infrastructure development sectors.

The provinces should have proposals on policies to help develop their strengths, prevent competition with each other and be attractive to regional and international investors.

On December 12, 2016, the government promulgated Resolution No 103/NQ-CP, agreeing in principle to establish three special administrative economic zones in Van Don (in the northern province of Quang Ninh), Phu Quoc (in the southern province of Kien Giang), and north of Van Phong Bay (in the central province of Khanh Hoa).
The government asked the three provincial People's Committees to collaborate with the Ministry of Planning and Investment (MPI) and other concerned ministries to draw up plans.

The MPI is working on the Law on Special Administrative and Economic Zones, with an aim to creating a new development model with breakthrough policies and mechanisms to improve investment environment while increasing competitiveness for attracting investments.

The ministry said the building of special administrative and economic zones had become urgent, necessary work as over the past 25 years the models of industrial zone, processing zone, economic zone and hi-tech park had not been sufficiently flexible, despite their contributions towards socio-economic growth.

Also, the policies and mechanisms in the current models are not attractive enough for foreign investors. The current models face shortcomings related to administrative procedures and poor human resources.

Since 1942, many countries have developed successful models of special economic zones, special administrative zones, freedom cities and intelligent, industrial and hi-tech cities with more open policies.

Building of special administrative and economic zones in Vietnam will have positive effects on neighbouring areas too, the ministry said.

Quang Ninh Province is seeking capital for 43 investment projects across several sectors for the 2016-20 period. It has 121 registered foreign direct investment (FDI) projects with a total investment capital of $5.9 billion, as per the MPI's Foreign Investment Agency.

The Van Phong Economic Zone was established in 2006 and is spread across 150,000 hectares. This includes 80,000 hectares of sea and 70,000 hectares of land, which are under the supervision of Van Ninh District and Ninh Hoa Commune. A multi-sectoral economic zone, it has a designed focus on container and petroleum transit services, oil refining, and petrochemistry. So far it has attracted 145 investment projects with a total registered capital of $1.47 billion; 79 projects with an implemented capital of $600 million are operational.

US continues anti-dumping duty order on Vietnamese fish fillets
03/Apr/2017 Intellasia | VNA

The United States continues placing anti-dumping duties against imports of frozen "tra" and "basa" fish fillets from Vietnam, ranging from 0.69 - 2.39 USD per kilo.

The US Department of Commerce (DOC) has recently issued the final results of the 12th administrative review of the antidumping duty order (POR12) on certain frozen fish fillets from Vietnam for the period from August 1, 2014 to July 31, 2015.

The preliminary results had been published in September 2016, giving interested parties an opportunity to comment before the department issued its final order.

Four Vietnamese fish exporters were entitled the separate rate status for voluntary respondents, including Cuu Long Fish Joint Stock Company, GODACO Seafood JSC, Green Farms Seafood JSC, and NTSF Seafoods JSC. Accordingly, they will be imposed a weighted-average dumping margin of 0.69 USD per kilo.

The DOC outlined three other companies that have no reviewable transactions during the POR and therefore, their future shipments, if any, will be subject to higher Vietnam-wide entity rate of 2.39 USD per kilo.

The wide rate will also be applied for two others as they did not submit separate-rate certifications or applications to the DOC.

The department intends to issue appropriate instructions directly to the US Customs and Border Protection (CBP) 15 days after publication of the final results of the administrative review, according to the Vietnam Competition Authority at the Ministry of Trade and Industry.

For assessment purposes, it calculated importer (or customer)-specific assessment rates for merchandise subject to the review. It will continue to direct CBP to assess importer-specific assessment rates based on the resulting per-unit rates by the weight in kilogrammes of each entry of the subject merchandise during the POR.


Australia, VN cooperation focuses on economic partnership
03/Apr/2017 Intellasia | VNA
The Australia and Vietnam governments on Friday held their High-Level Consultations on Development Cooperation to discuss results of their long-term development cooperation and the importance of its transformation into an economic partnership.

The biennial High Level Consultations were led by First Assistant Secretary, South East Asia Mainland and Regional Division Philip Green, Department of Foreign Affairs and Trade (Australia), and Việt Nam deputy minister of Planning and Investment Nguyễn Thế Phương.

Accordingly, the two countries gained key achievements for the 2015-17 development cooperation, including due completion of the Cao Lanh Bridge late this year, encouraging progress in developing three new initiatives - Aus4Reform, Aus4Transport and Aus4Water - to develop a strong and competitive private sector in Việt Nam.

They also noted the effective commencement of the new Aus4Skills initiative in 2016, which will continue to deliver the prestigious Australia Awards Scholarships as well as a new range of flexible human resource development support packages and support for women's economic empowerment, including preparation for the new Aus4Equality and Investing in Women initiatives.

"Việt Nam has been an important partner to Australia in the region for a long time, and our commitment to development cooperation with Vietnam is ongoing," Green said.

Given Vietnam's tremendous achievements in socio-economic development, it is now time to transform the relationship into an economic partnership, based on mutual benefit and shared challenges," he added.

The economic partnership is expected to be built on the principles of commitment to pursuing shared economic interests as outlined in the Plan of Action 2016-2019, encouraging a dynamic private sector, fostering greater business and market access opportunities, empowering women in the economy and promoting environmentally sustainable growth.


New draft law sets minimum air ticket price

A Ministry of Transport (MoT) draft law, which is currently collecting idea contributions, would enforce a minimum price for domestic air tickets, a move opposed by fast-growing low-cost carrier Vietjet Air.

According to the draft, the State management office would increase the ceiling price for air tickets as well as set the floor price, which would be the cheapest air ticket price that airlines are allowed to sell.

National carrier Vietnam Airlines (VNA) and Jetstar Pacific (JPA) agreed with the draft, especially the floor price, while low-cost airline Vietjet (VJ) said no to the floor price.

VNA and JPA commented that regulation for the floor price is in line with the current law on Civil Aviation of Vietnam. The law regulates that "airlines will decide ticket prices for domestic flights in the price framework regulated by the Ministry of Transport."

According to the law, the ticket price framework must include floor and ceiling prices but due to low competition in the market, the Ministry of Transport has only applied the ceiling price.

Capacity for domestic flights has recently increased 30 percent a year. That has made airlines continuously reduce their ticket prices, sometimes to even lower than input prices.

This has affected the sustainable development of both airlines and the aviation industry.

"In some nations, such as Indonesia, the floor price for tickets is released to prevent price competition," a JPA representative said.

The JPA representative suggested taking into account all the direct costs of a flight to calculate a standard floor price. This would include all expenditure that one airline must pay, including airplane price, petrol, staff, services. The total expenditure for a flight from HCM City - Hanoi would be around VND1.1 million (US$47) and this should be a floor price for a one-way ticket from HCM City to Hanoi.

At present, the ceiling price for the HCM City - Hanoi route is kept no higher than VND3.2 million ($140) for a one-way ticket.

With a different point of view, Vietjet said that the current aviation market is not a monopoly but rather there is a tough competition among aviation carriers.

"The government should manage and supervise aviation ticket prices through the Competitiveness Law and Customer Rights Protection Law rather than releasing a floor price," a Vietjet representative said.

"A floor price for air tickets is not suitable with the Competitiveness Law 2014," he added.

Vietjet also revealed that in Vietnam, 90 percent of the population does not have the opportunity to travel by air due to high ticket prices.
"If the floor price is approved, local residents will be limited in their chance to fly and low-cost airlines will be limited to compete through its service reduction," he added.

"Air ticket management with price frameworks for domestic flights is out of date. The government should create competition and ensure a healthy competitive environment. Air prices should be decided by airlines," Luong Hoai Nam, an aviation expert said.

"We should not grant regulations on floor price because the more competition, the more benefit customers can get. Vietnam has Competitiveness and Trade Laws to manage all activities of companies," Nguyen Tien Thoa, deputy chair of the Vietnam Price Appraisal Association said.

"The government should directly manage prices if one enterprise dominates the market. But in the airline market now, there are four enterprises. If the government applies floor and ceiling prices, airlines won't compete on price any more," Dr Ngo Tri Long, former head of the Ministry of Finance's Price Management Institute said.

"The domestic airline market has had real competition during the last four years since Vietjet joined into the market, and that helped to reduce air tickets 50 percent. Despite selling cheap air tickets, Vietjet still makes a profit," one airline expert said.

Vietjet did not release its average price for the whole year and it adjusted prices at different times. The airline often carries out promotion campaigns with several million tickets sold at VND5,000 (22 cents).

After six years of operation, low-cost airline Vietjet has gained 41 percent of the domestic market, nearly the same as national carrier Vietnam Airlines with 42 percent. Vietjet has improved its competitive ability in air tickets.

Answering the Vietnam News Agency's question about rumours that the Civil Aviation Authority of Vietnam (CAAV), an agency belonging to the MoT, had proposed allowing floor air ticket sales, CAAV director Lai Xuan Thanh rejected this information, noting that this was only a proposal from an airline.


S Korea closes labour door to Hanoi, Vietnam provinces as many overstay

03/Apr/2017 Intellasia | Vnexpress

The country is blocking applicants from Hanoi and 10 provinces, except those from areas hit by an environmental catastrophe.

South Korea is recruiting 3,600 Vietnamese workers but it has blocked applicants from Hanoi and 10 northern and central provinces due to a high rate of illegal workers, Vietnam's labour ministry has said.

The ministry said it has been requested by the South Korean government to blacklist Hanoi, the northern provinces of Bac Ninh, Hai Duong, Hung Yen, Nam Dinh, Phu Tho and Thai Binh, as well as provinces of Thanh Hoa, Nghe An, Ha Tinh and Quang Binh in the central region. More than 30 percent of workers sent from these localities are overstaying their visas, it said.

If those localities manage to lower the rates by the end of the year, they might be considered for recruitment in 2018, the ministry said.

But the restriction is not imposed on eight areas affected by the Formosa environment disaster last year in the coastal provinces of Ha Tinh and Quang Binh.

As of February 2017, all workers from several districts in the provinces of Phu Tho and Ha Tinh have completed their contracts but none of them have returned, according to figures from the ministry.

Vietnam and South Korea first signed a labour agreement in 2004, which was due to expire in 2014. But South Korea suspended the cooperation in August 2012 after it found Vietnamese workers often did not leave the country after their contracts had ended. It resumed the agreement for one year in December 2013 after the rate of illegal workers dropped to 38 percent from 50 percent.

The illegal workers, all coming from impoverished neighbourhoods, have said they decided to overstay their visas because it was easier to find good income in South Korea.

Vietnamese workers in South Korea receive a minimum wage of more than $1,000 a month and work 40 hours a week, according to official reports. Back home, by comparison, workers would receive a minimum wage of between $120-175 and often have to work extra hours.


The Vietnam trade deficit is not a terrible thing

03/Apr/2017 Intellasia | VOV
The Vietnam trade deficit has been reported by the general Statistical Office (GSO) at $1.9 billion in the first quarter of 2017.

The trade deficit exists because Vietnam exports to other countries were only $43.7 billion while imports from other countries tallied in at $45.6 billion, according to the GSO best estimates.

Effects of a Trade Deficit

Initially, a trade deficit is not a dreadful thing. It raises a country's standard of living. Its residents have access to a wider variety of goods and services at a more competitive price. It reduces the threat of inflation, since it creates lower prices.

A trade deficit indicates that the country's residents are feeling confident and wealthy enough to buy more than the country produces.

Contrary to much of the 'fake news' that continually circulates in Vietnam - companies that depend on import materials in production to make goods for export do not contribute to the deficit.

They as a matter of fact and simple common sense contribute to either a trade surplus or a reduction of the trade deficit.

To the extent that there are foreign sector companies in Vietnam importing machinery, equipment and other materials that are incorporated into an FDI venture, those costs could add to a trade deficit.

This is because the value of the asset is not offset against the cost of the import.

However, in any thoughtful analysis one should obviously consider that the FDI manufacturing plants being constructed will generate positive exports for many years to come.

Certainly, it is true that trade deficits that result from Vietnamese consumers purchasing foreign goods over extended periods of time could have negative consequences, but this is not the situation in Vietnam.

There simply is no reason for anyone to get analysis paralysis over the trade deficit of Vietnam in the first quarter of the year.

During the first three months of 2017, total export value grew 12.8 percent, while the total import value had a year-on-year increase of 22.4 percent.

http://english.vov.vn/economy/the-vietnam-trade-deficit-is-not-a-terrible-thing-346764.vov

Import-export earnings estimated over 89.3 billion USD

03/Apr/2017 Intellasia | VNA

Vietnam was estimated to have an import-export value of 89.36 billion USD in the first three months of 2017, with the figure for March alone hitting about 33.7 billion USD, said the general Department of Vietnam Customs.

The three-month sum represented a 17.5-percent increase compared to the same period last year.

Of which, export reached 43.73 billion USD, up 12.8 percent year-on-year.

Computers, electronic devices and components recorded the highest annual jump, at 42.3 percent to reach 5.31 billion USD.

Garment and textile value increased 10.2 percent from last year to hit 5.63 billion USD, while phones and components shipments generated 7.39 billion USD, an annual decrease of 10.7 percent.

Tran Thanh Hai, vice director of the Ministry of Industry and Trade's Export and Import Administration, noted that growing export value has contributed significantly to improve the balance of payments and boost GDP growth, while reflecting the recovery of domestic production.

Import of raw materials and machinery in service of local production and outsourcing accounted for 80 percent of the import value of 45.63 billion USD, which showed a 22.4 percent rise year-on-year, signaling a positive sign for the country's export activities in the coming months.


Industrial production index grows slightly in first quarter

03/Apr/2017 Intellasia | VNA

The industrial production index rose 4.1 percent in the first quarter this year, lower than the figures of the same period of previous years, the general Statistical Office (GSO) has said.

Mining experienced a drop of 11.4 percent while manufacturing and engineering was up 8.3 percent and electricity production and distribution hiked 9.4 percent.

Ha Quang Tuyen, director of the GSO's National Account System Department attributed the modest growth to food manufacturing and processing, which account for 15 percent of the index, posting a 4.4 percent growth rate, a far cry from the 8.6 percent rate in 2016. The electronics sector saw its production value down by 1 percent due to Samsung Vietnam's 38 percent manufacturing contraction.
Industries that recorded high production value growth include metal (43.4 percent), prefabricated metal (14.3 percent); paper, paper products and apparel (11.6 percent), and apparel (11.4 percent). Meanwhile, crude oil and fuel, and coal mining were down 13.6 percent and 5.5 percent, respectively.

Significant expansion was seen in the manufacturing of several industrial items, including television (43.3 percent), rolled steel (32.2 percent), crude iron and steel (23.2 percent), urea (18.5 percent), fresh milk (12.7 percent), and chemical paint (12.1 percent).

Cities and provinces registering industrial production indexes higher than the average level include Hai Phong (17.2 percent), Thai Nguyen (12.5 percent), Danang (10.6 percent), Hai Duong (9.3 percent), HCM City (5.9 percent) and Hanoi (6 percent).

In the meantime, Can Tho, Quang Ninh, Ba Ria - Vung Tau, Bac Ninh and Quang Ngai ran a 3.3 percent-11.7 percent annual decrease in the index.

Inventories in manufacturing and engineering as of March 1 went up 12.5 percent year-on-year.

The employees of industrial firms rose 2.2 percent annually, with those working for State-owned and non-State enterprises down 1.7 percent and 0.1 percent, respectively, and for foreign-invested businesses up 4.4 percent.

HCM City posts growth of 7.46pct in first quarter
03/Apr/2017 Intellasia | The Saigon Times

HCM City has seen positive economic indicators in the first quarter of this year compared to the same period last year, with gross domestic product (GDP) expanding 7.46 percent, the municipal government said.

The city mentioned the economic indicators in a just-released report on socio-economic performance in quarter one. The report showed development investment expanded 7.8 percent in the period, startups rose by nearly 62 percent, foreign direct investment approvals surged nearly 57 percent, capital mobilisation via banks increased 11.1 percent, and credit edged up nearly 20 percent.

In the January-March period, foreign companies have registered nearly $575 million for projects in the city, mostly in the information-communications, business and processing sectors.

The city has posted budget collections of VND86.6 trillion (US$3.8 billion) in the first three months, up nearly 19 percent year-on-year. Revenues from domestic sources, crude oil, imports and exports have all risen in the period.

Banks in HCM City have achieved stable operations and met demands of corporate and individual clients for capital and banking services.

Credit institutions in the city have mobilised a total of over VND1,795 trillion by the end of March, up 1 percent over late 2016 and 11.1 percent compared to the year-earlier period. Meanwhile, outstanding loans have exceeded VND1,518 trillion, increasing 3 percent from late last year and 19.15 percent year-on-year.

HCM City has attained outbound sales of $7.7 billion in January-March, leaping 10.6 percent year-on-year. The city has seen exports rising by nearly 350 percent to Myanmar, by nearly 138 percent to Singapore, by 100 percent to Spain, by almost 95 percent to Thailand, by roughly 85 percent to Malaysia, and around 42 percent to China.

City to tax social media commerce
03/Apr/2017 Intellasia | VNS

The HCM City Taxation Department has announced it will submit a specific plan for tax collection from online businesses to the City People's Committee in early April and deploy the plan in the same month.

Le Thi Thu Huong, deputy director of HCM City Taxation Department, said that the department has already begun to tax internet trade and e-commerce.

"However, the draft adopted by the City People's Committee will create a clear co-ordination mechanism and facilitate the implementation of the tax authority," she said.

The department said it will work with relevant agencies to enhance the efficiency of tax management for online sales, such as businesses on Facebook.

Accordingly, the draft aims to strengthen co-ordination among functional agencies to provide the fullest information concerning online business.

The tax authorities have proposed collaboration between the municipal department of information and communications, department of industry and trade, network operators, banks and post offices.
The tax agency will require traders on the social network to provide information such as name, address, telephone number, and personal tax number so that they can control more closely the kind of business. They also affirmed that they will calculate tax revenue not only for sales on Facebook but also other social networks such as Instagram and YouTube.

Up to 35 per cent of businesses are selling on social networks, and there are millions of individuals and businesses selling goods on Facebook with huge revenue but not having to pay taxes, reported the agency.

Earlier, tax collection from online trade via Internet was a hot topic due to its complexity and difficulty to manage.

Many experts argue this tax is just for taxpayers, as many individuals selling goods on Facebook are making huge profit but not paying taxes while sellers of similar items but using stores have to pay taxes.


Quang Ninh looks to improve public services for businesses

03/Apr/2017 Intellasia | VNA

A conference took place in the northern province of Quang Ninh on March 31 to launch the implementation of the government's Resolution 19 on improving the business climate and national competitiveness.

Speaking at the conference, Chair of the provincial People's Committee Nguyen Duc Long said Quang Ninh's provincial competitiveness index (PCI) was 65.6 points in 2016, ranked second nationwide.

The overall ranking jumped one place from 2015, he said, taking note of administrative shortcomings that led to lower places in a number of PCI criteria, including time costs, labour training, legal institutions, and transparency.

He urged local officials and public servants to do their best in providing quality services for residents and enterprises.

As heard at the function, Quang Ninh was set to continue to organise dialogues between provincial leaders and business representatives once every quarter, while district- and commune-level officials were encouraged to hold regular meetings with local businesses and promptly help them access land sources and handle difficulties.

All local policies and announcements on business administrative procedures would be made public.

IT application was considered a priority in building an e-governance system in the province, which would offer cost-saving online administrative procedures.

A hotline connecting businesses with relevant officials and an online support service to receive and process local feedback will be put in place.

Ta Duc Quyet, head of the Mai Quyen service firm, said administrative services in Quang Ninh have become more efficient in recent years.

In 2016, Quang Ninh attracted 567 million USD in foreign direct investment, up 30 percent year-on-year.


SOE equitisation lackluster in Q1

03/Apr/2017 Intellasia | The Saigon Times

No State-owned enterprises (SOE) have gone public so far this year, according to the corporate finance department at the Ministry of Finance.

In the first three months of the year, seven SOEs have had their equitisation plans approved. They are valued at more than VND1.85 trillion (over $81.7 million), of which State capital is VND379 billion.

Competent agencies endorsed the equitisation plans of 56 SOEs last year, with their total value totalling VND34 trillion and State capital accounting for VND24.39 trillion.

In the 2011-2015 period, 508 SOEs went public with a total value of over VND760.77 trillion, including State ownership of more than VND188.27 trillion.

State capital divestments have exceeded VND14.23 trillion in January-March, well above VND3 trillion they spent earlier. Of the total, State Capital Investment Corporation (SCIC) sold stakes worth nearly VND12.14 trillion in 15 enterprises, including over VND11.28 trillion from the stake sale at Vinamilk.

Last year, State capital divestments fetched more than VND18.83 trillion, including almost VND4.17 trillion SCIC withdrew from 67 firms.

State groups and corporations pulled a total of more than VND10.72 trillion from non-core operations in 2011-2015, lower than the VND11 trillion they invested. Of which, SCIC divested VND8.73 trillion, over VND5.13 trillion higher than the book value.
The Ministry of Finance said a number of ministries, agencies and localities have not actively restructured SOEs under their management. State holdings at many joint stock companies remain high as they have been unable to achieve their share sale targets. The department said the number of enterprises where the State will hold controlling stakes when undergoing equitisation is still large, so their share sales cannot attract many investors. This is among the major barriers to improving their governance.


Land prices in HCM City up 25-40pct quarterly

03/Apr/2017 Intellasia | The Saigon Times

Prices of land have risen more sharply than those of townhouses and villas built in the same area, according to a report of property management and consulting firm CBRE Vietnam.

In the first quarter, the market for villas and townhouses has got five new projects, providing an additional 500 homes. All of these projects are located east of HCM City with four projects in District 9 and one in Thu Duc District.

Prices of villas and townhouses have remained quite stable in most areas. In District 2, the average selling price has increased by 1.4 percent compared to the previous quarter, while in District 9, it has increased by 1.9 percent. Other inner-city districts such as Binh Thanh, Go Vap and District 12 have seen price increases of 1.5-3 percent against the previous quarter.

Meanwhile, the land market has seen more aggressive price movements. In the bustling areas of District 2 such as Thanh My Loi Ward and Binh Trung Dong Ward, land prices have surged by 16-40 percent over the previous quarter.

In Nha Be, Thu Duc, Binh Chanh and District 12, selling prices have grown by 25 percent compared to the previous quarter. Prices of land plots in Phu Huu Ward and Phuoc Long B Ward in District 9 have also edged up strongly.

In terms of sales, 50-90 percent of land plots, especially in well-located projects, have found buyers after opening for sale. In the last quarter, more than 850 land plots were successfully transacted, up 14 percent over the previous quarter.

Experts say the land market has been faring better thanks to the development of traffic infrastructure in suburban areas. Land plots along the metro lines as well as HCM City-Long Thanh-Dau Giay expressway, Ben Luc-Long Thanh expressway and My Phuoc-Tan Van-Nhon Trach road all have seen higher prices and higher liquidity.

CBRE said that in the near future, large-scale projects will be launched in many parts of the city. At the same time, the development of infrastructure and the improvement of transport connectivity with lead land prices to shoot up.

However, unlike the market boom in 2007, CBRE believes that investors would be more cautious and careful in making their investment decisions, making the land market more stable.

http://english.thesaigontimes.vn/53232/Land-prices-in-HCM City-up-25-40-quarterly.html

Q1 motor vehicle imports hit record

03/Apr/2017 Intellasia | VN Economic Times

Volume and value of imported CBUs stand at highest ever in first quarter.

The general Statistical Office (GSO) has released a list of the 44 major import items in the first quarter of 2017, in which the volume and value of imported completely-built-unit (CBU) motor vehicles stood at their highest ever.

The total volume of imported vehicles was 28,000, up 43 per cent, worth $460 million. CBUs of less than nine seats accounted for nearly 70 per cent of the total, at 19,000 units, up 169 per cent in volume and 82 per cent in value year-on-year.

Motor car imports and prices have attracted public attention in recent times. Purchases have increased sharply, with import taxes being cut or eliminated under Vietnam's commitments to market liberalisation.

The GSO reported that, as at March 15, Vietnam had imported more than 21,700 CBUs, of which more than 14,400, or 66 per cent, were motor cars. According to customs declarations, the average price was nearly VND400 million ($17,564) and just over VND315 million ($13,832) for motor cars.

Imports have increased 3.8-fold over the four years from March 2013 to March 2017, reaching more than 16,000 units, in which motor cars rose 4.5-fold, to more than 11,200 units. The average price of an
imported motor car has fallen since 2013, from VND458 million ($20,110) to VND400 million ($17,564),
or VND59 million ($2,591).
As at March 15, the total number of imported motor vehicles increased by more than 16,000 units, of
which more than 11,200 were motor cars, or 70 per cent compared to the same period of 2013.
In early 2017, the impact of reducing import taxes on motor cars originating from Asean from 40 per cent
to 30 per cent resulted in a large number of vehicles from Thailand and Indonesia arriving in Vietnam.

Petrol pump seals increase tax collection

03/Apr/2017 Intellasia | VNS

Petrol pumps in all stations nationwide will carry stamped seals by the end of this month as a measure to
prevent tax losses and limit fraud, the general Department of Taxation announced on Friday.
Tax departments in 46 provinces and cities nationwide have completed the stamping of pumps, and 12
other localities are in the process of doing so.
Only five localities, for various reasons, were yet to start implementing this measure, the department said
at a meeting held in Hanoi.
Nguyen Van Thuy, deputy director of Large Enterprise Department under the general Department of
Taxation, said the stamping plan has significantly improved petroleum management on a national scale and
should apply nationwide in the shortest possible time.
Some petroleum dealers with large market shares, like the Vietnam National Petroleum Group (Petrolimex)
and the Military Petroleum Corporation have supported this measure as it does not have a negative impact
on their operations.
Besides, it helps increase revenues to the State Budget, creates a healthy business environment for petrol
traders, and protects the rights of consumers.
In September 2016, the minister of Finance sent a written request to tax authorities in provinces and cities
to create a management scheme for petrol business operations, basically by supervising pumps at local
petrol stations.
Following this, joint teams comprising officials from different agencies were organised to stamp seals on
petrol pumps nationwide.
The seals have been prepared and managed by the directorate for Standards, Metrology and Quality.
Local tax departments will monitor sales at the pump, opening and closing the seals at regular intervals.
Any discrepancy found in tax declarations made by traders and supplier invoices will attract sanctions
and due taxes collected.
The general Department of Taxation estimates that after the new measure became operational, the
collection of environmental protection tax levied on oil and gas consumption increased by 10 per cent.
In Quang Ninh, the northern province where all pumps were stamped and sealed by November 2016, the
monthly average fuel consumption and environmental protection tax collected have risen by approximately
15 per cent. A corresponding increase of 14 per cent was seen in Thai Binh Province. In Nghe An Province,
where the plan began implementation in June 2015 and was completed by November the same year, the
increase was 20 per cent.
The general Department of Taxation said it would continue to direct tax departments of cities and
provinces to promptly advise and guide provincial authorities in implementing the scheme, and at the same
time, standardise and synchronise evaluation criteria to accurately assess the results of the campaign.

Unsafe produce hurting exports

03/Apr/2017 Intellasia | VNS

Weak food safety compliance by agricultural product exporters has negatively impacted Vietnam's
exports to European markets, experts said at a trade policy forum, "Food safety: Opportunities and
challenges for Vietnamese exporters,” organised in HCM City on Thursday.
Nowadays, a number of countries apply standards by associations or sectors instead of national standards.
For instance, retailers in UK, North America and Europe only consider signing contracts with suppliers
which have British Retail Consortium (BRC) certification.
In Vietnam, enterprises are under pressure to comply to national standards and other regulations. In the
legal system of food safety legislation, there is one law, one decree and nearly 80 circulars of the combined
three ministries. Specifically, the Ministry of Agriculture and Rural Development (MoARD) has issued 45 circulars, the Ministry of Health (MoH) has 20 and the Ministry of Industry and Trade has 12 circulars.

In addition, export enterprises find it difficult to comply with regulations not in the law. For example, the food safety compliance regulations in the Decree 38/2012/ND-CP dated April 25, 2012 is not included in the Food Safety Law. Exporters must not only meet the requirements of the exporting country but also meet Vietnamese standards.

According to Nguyen Hoang Linh, deputy director of directorate for Standards, Metrology and Quality, Ministry of Science and Technology, these regulations waste a lot of operating expenses for businesses.

Speaking at the forum, Miriam Garcia Ferrer, Commercial Counsellor of the European Union Delegation in Vietnam, said there are some businesses struggling to comply with food safety regulations, creating a bad reputation for Vietnam's agricultural exports and affecting other firms.

Currently, many Vietnamese agricultural products are not the top choice of European consumers. For example, consumers are willing to buy Colombian coffee even though it is more expensive than Vietnamese coffee. The reason is that coffee products from Columbia have a clear label, origin and package, while Vietnam coffee is mixed with different types.

"Another example is the export of basa fish. Carrefour, a popular French multinational retailer, and some other supermarket chains have stopped selling this product from Vietnam not only due to sanitary problems but also the issues of sustainable farming and environmental treatment," Miriam said.

Facing these ugly truths, Vietnam should focus on following the regulations and standards to be able to export goods into Europe and take advantages of benefits when the European and Vietnam Free Trade Agreement (EVFTA) comes into effect.

Do Kim Lang, deputy director general of Trade Promotion Agency, Ministry of Industry and Trade, director of Export Competitiveness Enhancement Programme for small- and medium-sized enterprises, noted that recent pesticide and antibiotic violations have caused serious export consequences. The direct consequence is that importers return goods and countries increase control measures. More significantly, the national image is affected negatively.

"There are some businesses doing well, however, the general level of the enterprises is not good, which devalues the brand name of Vietnam's products, thereby decreasing commodity prices", Lang said.


Massive imports overpower domestically made products

03/Apr/2017 Intellasia | Vietnamnet

Vietnam spends big money every year to buy foreign goods and services, including those which could be made or offered domestically.

A report of the Ministry of Industry and Trade (MOIT) shows that in the first two months of 2017, the trade deficit reached $3.5 billion.

More seriously, the imports subject to strict control and restriction saw high growth rates. Consumer goods and fruits, for example, saw imports up by 67.1 percent, while scrap iron & steel was up by 153.7 percent and cars with less than nine seats by 96.6 percent.

China remained the biggest market which accounted for 29.3 percent of total import turnover, an increase of 23.8 percent compared with the same period last year.

Analysts, considering the statistics released by the general Department of Customs (GDC), found that by mid-March 2017, besides equipment, machines and input materials for domestic production, Vietnam had also imported vegetables and fruits in large quantities ($133 million), sweets and grain-made products, ($28.8 million), food of different kinds ($70 million), fragrances and cosmetics ($65.5 million).

MOIT said the majority of fruit imports came from China, while the remaining were from Australia and New Zealand. The import tariffs on most fruits from China have been cut to zero percent since 2015. As for Australia and New Zealand, the zero percent tariff will be applied from 2018.

The tariff cut is believed to create more favourable conditions for foreign products to penetrate the Vietnamese market, especially low-quality products from China.

Analysts commented that since the FTAs with South Korea, Japan, Australia, New Zealand, China and Asean took effect, the imports from the markets have been increasing rapidly.

As Vietnam's products are similar to key export items of the countries, and prove to be less competitive, the trade deficit with some markets such as Thailand and South Korea is on the rise.

Vietnam spends big money to import foreign products, but domestically made products do not sell well.
In 2016, in the central region, watermelons were used to feed cows because of oversupply. Most recently, in Dong Nai and Tay Ninh provinces, farmers let bananas rot in the fields because they could not find buyers.

Meanwhile, in Hanoi, consumers went to supermarkets to buy South Korean and Filipino bananas. In urban areas, people are willing to spend big money to buy watermelons or grapes from the US.

Nguyen Lam Vien, chair of Vinamit, a dried fruit processor, commented that the affluent would prefer fruits from the US and New Zealand, while middle-class consumers would buy Thai and Malaysian products and common people would like Cambodian fruits.


HCM City - A growing base for Japanese investment
03/Apr/2017 Intellasia | VNA
HCM City and Japanese firms discussed investment opportunities at a business-matching event held in HCM City on March 30.

At the event, more than 100 participants, including representatives from HCM City companies and 11 members of Junior Chamber International Japan (JCI), met to discuss potential business deals in various fields, including finance, industry and service, as well as in industrial zones.

Kentaro Harada, chair of JCI, said that Vietnamese industry and service sectors had been developing well and that the country had become an ideal destination for investors, but that it needed to attract more investment to speed up industrial growth.

He said Japanese companies should not miss the chance to invest in the industrial, service and consumption sectors in Vietnam.

Steve Bui, chair of Delta E&C Japan, said that Vietnam had great potential.

He said that, through cooperation with Japanese companies, domestic companies would have opportunities to apply modern technologies and improve product quality.

Japan is one of Vietnam's key investors. As of the end of last year, Japanese companies had invested in 3,280 projects in the country, worth a total of 42 billion USD, equivalent to 14 percent of total foreign investment in the country.

Bilateral trade between the two countries continued to increase in recent years, with average annual growth in the last 10 years of 13.9 percent.

Trade volume by 2020 is expected to be 60 billion USD, compared to 9.93 billion USD in 2006 and 30 billion USD now

http://en.vietnamplus.vn/hcm-city-a-growing-base-for-japanese-investment/109626.vnp

HCM City sees high investment from overseas Vietnamese
03/Apr/2017 Intellasia | DTI News

Vietnamese citizens living abroad have invested in more than 900 businesses in HCM City with a registered capital of VND40 trillion (US$1.8 billion), according to HCM City's Department of Planning and Investment.

The city also has around 120 foreign investment projects with a total capital of $260 million funded by Vietnamese people living overseas. These projects are connected to infrastructure construction, environment treatments and shopping centres, which have helped modernise and urbanise the city.

There are also 300 experts and intellectuals from overseas Vietnamese who are currently working at schools, hospitals and research centres in the city.

Nguyen Thi Minh Phuong, deputy chairwoman and secretary general of the municipal Liaison Association for Overseas Vietnamese, said that in recent years, HCM City has promulgated incentives to support people who live abroad but do business in their home country, connecting domestic and foreign enterprises. The association keeps close contacts with Vietnamese people living abroad, especially those in West European countries, the US and Canada.

Currently, around 4.5 million Vietnamese citizens live and work in around 100 countries and territories across the world. Between 2002 and 2015, remittances were around 6 per cent of the nation's gross domestic product (GDP), nearly equal to the total foreign direct investment (FDI), which made up 7.7 per cent of the GDP, and double the official development assistance (ODA) capital, which accounted for 3 per cent of the GDP.

In 2016, the figure declined, but remittances transferred to the country still amounted to $9 billion.
Around 70 per cent of the remittances go into production and business, and another 20 per cent into real estate.

These remittances are a stable source of foreign currency for Vietnam, increasing the national foreign currency reserves, reducing dependence on foreign capital and easing pressure off the USD exchange rate. Within the country, HCM City attracts the most remittances. Around 50 per cent of the remittances transferred to Vietnam go to the southern metropolis, according to the State Bank of Vietnam's HCM City branch. The city received $5.5 billion in remittance in 2015, a year-on-year rise of 10 per cent. This dropped to $5 billion in 2016.

Ministry caves in to Uber and Grab Taxi business model

03/Apr/2017 Intellasiia | DTI News

The Ministry of Transport is gathering opinions for a draft decree on the operation and management of Uber and Grab taxis.

It is expected to replace the Decree 86 on the businesses of car and bus transportation issued in 2014. A majority of taxis in the country operate in big cities, with 18,629 taxis of 88 firms working in Hanoi and 10.850 taxis of 23 firms in HCM City.

The Ministry of Transport, the people's committees of Hanoi and HCM cities report that several firms can't provide the list of taxi drivers, the number of their car fleet, taxi badges, or labour contracts with their drivers.

Agencies issued VND436.9m (US$19,200) in fines for 38 vehicles that don't have taxi badges, 40 that don't have business licences and 15 without transportation contracts.

The ministry hopes the new draft will better manage the transportation firms and encourage firms to invest in technology and improve their services. In the draft, the ministry proposed to add a new article that allows operators to use software to connect the operator, drivers and passengers together instead of relying on the company's traditional central dispatch systems.

This regulation will support the operation of Uber and Grab Taxi in Vietnam. The draft will remove the requirement that transportation firms must have a certain number of cars while electronic contracts will be legalised.

The draft bans firms from picking up passengers at their headquarters or offices of their agents regularly to prevent the growth of unofficial taxi ranks. The number of trips that have the same stops of a transportation firm must be less than 30 percent of that firm's total trips in a month.

SECO to finance Mekong Delta flood control project

03/Apr/2017 Intellasiia | The Saigon Times

The Swiss State Secretariat for Economic Affairs (SECO) has decided to provide five million euros for Vietnam to control flooding in three Mekong Delta provinces, An Giang, Kien Giang and Ca Mau, in 2017-2019.

On the sidelines of a workshop titled "Starting Mekong drainage and flood mitigation programme" in Can Tho City on March 30, Le Thi Thanh Huyen, national programme officer of SECO, told the Daily that the Swiss government would offer a grant of five million euros through SECO.

The State budget and the three provinces benefiting from the project will provide a reciprocal amount of around 500,000 euros. "Thus, the total investment in the project is about 5.5 million euros for the 2017-2019 period," Huyen said.

Before An Giang, Kien Giang and Ca Mau were chosen to carry out the project, experts from German development agency GIZ, the Technical Infrastructure Agency of Vietnam's Ministry of Construction and SECO had conducted a preliminary analysis of the Mekong Delta's 13 provinces.

"After the study, SECO, GIZ and our agency have proposed the government select three cities in Ca Mau, An Giang and Kien Giang, namely Ca Mau, Long Xuyen and Rach Gia, to carry out the project," said Tran Thi Thao Huong, head of the drainage and wastewater treatment division under the Technical Infrastructure Agency.

There will be three main components, with integrated urban and drainage planning as the first. This component will support the making of rules to address flooding and climate change, and integrate flood risk management into urban planning and local plans.
The second component is flood risk analysis and planning assistance, which will help with modelling, flood risk assessment, and review and adjustment of existing urban planning.

The third is disaster risk management. This component will aid the establishment of early flood warning systems, and water level measurement to collect, analyse and evaluate information and update urban flood control plans.

Participants in the workshop underscored the need to carry out the project, saying it would help localities review the current status of their drainage systems and work out measures to cope with growing flooding in urban areas.

Le Quoc Anh, deputy director of the Department of Construction of Kien Giang, said the existing drainage infrastructure was built long ago, so flooding could occur when it rained heavily or when there were high tides. In addition, there is a lot of sludge in the sewers, making it hard for drainage.

On the objectives of the project, Huong said the overall objective was to enhance adaptability to climate change, and protect people's assets and income from urban inundation in the Mekong Delta, particularly the three provinces under the project.


Delta launches crackdown on businesses injecting shrimp with agar

Such practices have led to rejections of batches of shrimp exports by foreign importers.

Inspectors in Bac Lieu Province on Tuesday made an unannounced stop at a local shrimp shop in Gia Rai Town, owned by Ha Thi Kieu, and discovered that 20 workers were injecting agar, a jelly-like substance, into the shrimp.

The inspectors used chemical tests to check the shrimp and found that 55kg of shrimp had been injected with agar to improve their size, weight and visual appeal.

The inspector of the provincial Department of Agriculture and Rural Development seized all the shrimp and collected evidence to deal with the case under the law.

On March 27, Bac Lieu authorities confiscated around 426kg of similarly injected shrimp being transported on a truck driven by Le Hoang Luyen on National Road 1 in Bac Lieu Province en route to Bac Lieu City to sell the shrimp.

The authorities said the substance-injected shrimp belonged to Le Ngoc Thuy of Gia Rai Town.

Ha Van Buol, chief inspector of Bac Lieu Province's Department of Agriculture and Rural Development, said the two incidents were among dozens of other cases of shrimp injection which had been discovered by authorities over the last two months.

Other provinces in the Delta region are facing the same problem.

Vo Thanh Tiem, head of the Agriculture, Forestry and Seafood Quality Department in Ca Mau Province, said the authorities had discovered seven cases involving a total of 2.5 tonnes of substance-injected shrimp confiscated since the beginning of this year.

Bac Lieu Province's People's Committee said that it had set a target to have all local shrimp farming, trading and processing facilities sign a commitment by the end of 2017 to abstain from shrimp injection, with the goal of putting an end to the practice in 2018.

Tiem of Ca Mau Province said it was difficult for provincial authorities to manage small-scale shrimp farming, trading and processing facilities in districts and communes since most of them do not have a business certificate.

Tiem emphasized the important role of district and commune authorities in managing these facilities.

Meanwhile, Soc Trang Province has also begun a crackdown on injected shrimp and has disseminated information about the consequences of such practices to local shrimp businesses.

Phan Thanh Chien, manager of Soc Trang Province's Agriculture, Forestry and Seafood Quality Management Department, said that rejection of these exported shrimp had affected not only shrimp exports but also farmers due to the sharp drop in prices.

Provincial coordination

Provinces in the region, including Kien Giang, Ca Mau and Bac Lieu, plan to strengthen their cooperation in fighting shrimp injection, according to Phan Thanh Liem, chief inspector of Kien Giang Province's Department of Agriculture and Rural Development.

The provinces plan to sign an agreement on the cooperation in April, focusing on cases in border areas.

"We hope that after the provinces cooperate, the problem will end," Liem said, adding that each province should prepare for the requisite financing.
Chien of Soc Trang Province said the problem was difficult to resolve because the law is not strict enough.
Since violators are required to pay only administrative fines, they continue to break the law.
"To resolve the root of the problem, it's important to inspect shrimp processing establishments and traders. And stricter fines should be imposed," Tiem of Ca Mau Province said.

Hotline
Bac Lieu Province's People's Committee has asked the provincial Department of Agriculture and Rural Development, the police and Department of Industry and Trade to set up a hotline to receive information from the public about cases of shrimp injection.

Violators' names will be published on the province's website and in mass media.
Soc Trang Province has also set up a hotline (landline: 0793626464 and handphone: 0903314333) for the public to anonymously give tips to authorities.

After checking the veracity of the complaints, the province will publish the names of violators on its website and in the media.

Truong Dinh Hoe, general secretary of the Vietnam Association of Seafood Exporters and Producers (VASEP), said that some businesses had even reported finding toothpicks and nails inside shrimp bought from local traders and farmers.
He said that it took a great deal of time and money for these businesses to remove the objects from the shrimp.
The shrimp injected with these substances have also been exposed to a risk of microbial infection, which will also lead to rejections by countries that import the shrimp.
Prime minister Phuc, speaking at a seminar in the southernmost province of Ca Mau last month, ordered provinces in the region to stop the injection practices, saying that violators were harming the country's shrimp breeding industry.

South East most expensive region nationwide
03/Apr/2017 Intellasia | VNA
The South Eastern region was ranked as the most expensive in Vietnam in 2016, according to the general Statistical Office (GSO).

In the year, four southeastern provinces raised education service prices by 4.36 percent - 35.64 percent.
Two localities, namely HCM City and Binh Duong province, increased healthcare service prices by 44.47 percent and 64.07 percent respectively.
The GSO's Price Statistics Department said most of commodities in the region such as garment-textile, housing and construction material, transport, posts and telecommunication have average price higher from 0.3 percent to 7.57 percent.
The Spatial Cost of Living Index (SCOLI) in the region was estimated at 101.73 percent, while that in the Red River Delta was 100 percent.
The northern midland and mountainous region came second in SCOLI (101.33 percent). In 2016, the region saw the highest price hike of 6.9 percent in healthcare services.
The Mekong Delta still has the lowest SCOLI from 2014 to now (98.29 percent).
Other expensive regions include the Central Highlands and the north central and central coastal region with the respective SCOLI of 101.11 percent and 100.32 percent.
Head of the GSO Nguyen Bich Lam said the SCOLI is a national statistic criterion which reflects trends and fluctuations of living cost among regions and localities in a certain period, normally in one year.
The index aims to serve the country's socio-economic development policy making and evaluation of implementing policies on poverty reduction and financial support.

Vietnam's tourism to become a spearhead economic sector
03/Apr/2017 Intellasia | VOV5
Hanoi, HCM City and other localities in Vietnam have carried out several activities to realise the Politburo resolution on developing tourism into a spearhead economic sector.

Vietnam's tourism sector has grown rapidly over the past 15 years, but its potential has not been fully tapped to become a spearhead economic sector.
In early 2017, the Politburo released a resolution to attract 20 million foreign tourists, serve 82 million Vietnamese tourists, and make tourism more than 10 percent of Vietnam's GDP by 2020.

Key solutions

To achieve these targets, the Vietnamese government has promulgated a number of solutions including changing the mindset on tourism development.

Nguyen Van Tuan, general director of the Vietnam National Administration of Tourism, said, "Tourism involves different sectors and regions. Developing tourism is the task of the whole political system and society, with enterprises and the community playing an important role."

The Politburo resolution on tourism development creates a "launch pad" for the hospitality sector.

Vietnam's tourism potential is ranked 24th out of 141 countries but its tourism competitiveness is ranked only 75th.

The Vietnam National Administration of Tourism has responded to the resolution with a number of initiatives, said Nguyen Van Tuan.

He said, "We will finalise an action plan to realise by April and submit to the government. The plan will define necessary activities and specific tasks of ministries, sectors and localities."

Optimistic signs

Vietnam's tourist sector has seen positive signs so far this year. In January Vietnam received more than 1 million foreign tourists, 40 percent more than last year. In February, the figure increased to 1.2 million.

The screening of the blockbuster "Kong-Skull island" in March, much of which was shot in Vietnam, has drawn the attention of international media and created an opportunity for Vietnamese tourism.

The film promotes Vietnam's beautiful landscapes and inspires tourists to enjoy ecological, adventure, and cultural tours of Vietnam.

Dinh Ngoc Duc, director of the Marketing Department of the Vietnam National Administration of Tourism, said, "Recent developments of the tourism sector reflect the joint efforts of relevant ministries and sector and the government's direction and policies on attracting tourists and creating conditions for enterprises to boost tourism."


Phu Yen biomass power plant joins national grid

03/Apr/2017 Intellasia | VNA

The biomass power plant invested by the KCP Vietnam Industries Limited in the south central province of Phu Yen was connected to the national grid on April 2.

The India-invested company commenced the construction of the factory in 2015 in the mountainous district of Son Hoa after its sugar plant in the locality raised capacity to 8,000 tonnes of sugarcane per day.

The power plant fuelled by bagasse has a designed capacity of 60 MW and a total investment of nearly 1.3 trillion VND (57.1 million USD).

The first phase of the project has been completed with a capacity of 30 MW and it is able to generate over 70 million kWh of electricity annually.

The company is carrying out the second phase of the power plan along with raising the capacity of the sugarcane processing plant to 10,000 tonnes per day.

Director general of the KCP Vietnam Industries Limited K.V.S.R Subbaiah said the company also hopes to invest in processing side products of sugar production such as alcohol and microbiological fertiliser.


Vietnamese farmers rush into raising catfish over Chinese demand

03/Apr/2017 Intellasia | Tuoitre News

A surge in demand for catfish from the Chinese market has led farmers in Vietnam's Mekong Delta to grow a large volume of the type of fish, despite many warnings from experts.

As catfish prices have topped VND27,000 (US$1.18) per kilogram, the highest in several years, local residents are scrambling to begin farming the aquatic animal or switching from raising other types of fish.

The fad is triggered by the rising demand from the Chinese market, experts stated, warning that there is no guarantee that the market would keep purchasing for a long time.

A sudden drop in demand will potentially lead to heavy losses for local farmers, the experts said.

P., a catfish farmer in Ke Sach District, Soc Trang Province, stated that his family current owns three ponds of catfish and are looking to rent extra space to expand their operation.
"One of my friends from HCM City, who has no experience in farming fish, intends to buy some seven ponds to begin cultivating the fish," P. continued.

Many households in Hong Ngu District, Dong Thap Province, have been switching from snakeheads, whose price has recently dropped, to catfish following the new trend, said Pham Thanh Nhi, head of the local agriculture office.

During an interview with Tuoi Tre (Youth) newspaper, Vo Hung Dung, vice-president of the Vietnam Pangasius Association, China has bought much more Vietnamese catfish over the years.

The Chinese market only accounted for three percent of the Southeast Asian country's catfish exports in 2011, Dung said, adding that the number had exceeded 18 percent in 2016.

Despite such statistics, experts from the association are studying the market in order to provide helpful suggestions for businesses and farmers, according to Dung.

"Fish farmers should be cautious as catfish prices fluctuate more often than not," Nguyen Minh Nhi, former chair of the People's Committee in An Giang Province, said.

The An Giang Department of Agriculture and Rural Development has encouraged local residents to join businesses in farming catfish.

The cooperation will help ensure that the fish would be sold out, preventing farmers from suffering losses.

http://tuoitrenews.vn/business/40331/vietnamese-farmers-rush-into-raising-catfish-over-chinese-demand

Vietnam should be ready for bilateral trade deal talks with US

04/Apr/2017 Intellasia | VNA

Vietnam should be ready to negotiate a free trade agreement with the US, according to some speakers at a recent seminar on the impacts of the Trump administration's policies in Asia-Pacific.

At the event, held at Harvard University last weekend, Prof David Dapice from Harvard recommended Vietnam focus on improving its industrial sector's capacity and competitiveness.

It should watch whether Japan and Australia want to pursue a Trans-Pacific Partnership (TPP) without the US, and be ready to negotiate a free trade deal with the US, similar to what Singapore and the Republic of Korea have done.

Dapice also suggested Vietnam monitor China's moves in promoting a China-led trade bloc.

Aside from alternatives to the TPP and the US's new policy on trade with Vietnam, participants delivered speeches on other issues, including the US's alliances in Asia-Pacific in the new era, the Trump administration's policy possibilities regarding the East Sea issue, and periphery and security partners in Asia-Pacific.

Many delegates stressed that the new administration's Asia-Pacific policy remains unclear, which has raised concerns among the US's partners in the region as the world order may change due to competition among powerful countries.

Some speakers said the new administration in the US may neglect Asia-Pacific and return its focus to the Middle East. This may raise tensions in the region in the East Sea and the East China Sea.

Prof Ngo Vinh Long from the University of Maine and some other experts suggested small countries prepare long-term strategies in the face of the uncertainty.

Meanwhile, Vietnamese Ambassador to the US Pham Quang Vinh said he hopes that Vietnam-US relations will be reinforced despite the Trump administration resetting its foreign policy priorities.


Vietnam's prime minister speaks out over Trump's protectionist policies

04/Apr/2017 Intellasia | Vnexpress

Says the country should not allow key sectors to fall into foreign hands.

Vietnamese prime minister Nguyen Xuan Phuc has spoken out about new trade policies adopted by US President Donald Trump's administration, saying they will have a huge impact on Vietnam's export-driven economy.

At a Monday press briefing, Phuc said that Trump's protectionism would affect Vietnam's exports and foreign investment, and is likely to increase inflation and foreign exchange rates.

In order to maintain growth and control inflation, Vietnam will need to look for strong and specific solutions, the report said.
He said the country should try and raise private contributions to GDP from the current 32 percent to 35 percent, and boost the mining industry.

Phuc also said Vietnam must not allow key economic sectors to fall into foreign hands.

In a letter to Vietnam's President Tran Dai Quang in late February, Trump said he wanted to further strengthen economic cooperation between the US and Vietnam as well as peacekeeping in the Asia-Pacific region.

Business

Vietnam's prime minister speaks out over Trump's protectionist policies

By VnExpress April 3, 2017 | 03:03 pm GMT+7

Vietnam's prime minister speaks out over Trump's protectionist policies

A man works at a blanket factory in Hanoi/ Photo by Reuters/Kham

Says the country should not allow key sectors to fall into foreign hands.

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In a letter to Vietnam's President Tran Dai Quang in late February, Trump said he wanted to further strengthen economic cooperation between the US and Vietnam as well as peacekeeping in the Asia-Pacific region.

Trump took office in January and quickly withdrew from the Trans Pacific Partnership, which involved 11 other members, including Australia, Canada, Japan, Singapore and Vietnam.

He has said he preferred bilateral deals, and pledged to put "America first".

Last week, he signed executive orders to launch a study aimed at identifying abuses that are causing massive US trade deficits, and to clamp down on non-payment of anti-dumping and anti-subsidy duties on imports, his top trade officials said in a Reuters report.

The study will focus on countries that have chronic goods trade surpluses with the United States, including China, Japan, Mexico and Vietnam.

Vietnam's exports to the US in 2016 increased 15 percent from the previous year to $38.5 billion, making the US its biggest importer, based on statistics from Vietnam Customs.

At the Asean Business Summit last December, PM Phuc called for deeper economic ties between the bloc's members to deal with tighter trade controls in the US, Bloomberg said.


Host of new regulations take effect this month

04/Apr/2017 Intellasia | VNS

A range of fresh policies coming into effect this month will force major changes nationwide, including registration before drawing money from the State budget and energy labels on cars and motorbikes.

Circular No 13 issued by the Ministry of Finance in February said that all agencies and organisations spending State budget money are required to register one day before drawing more than VND200 million (US$8,790) from the provincial-level State Treasury, and VND100 million ($4,395) from the district-level State Treasury as of April 1.

The move aims to ensure that State treasuries can fully and promptly provide funds to agencies.

In the meantime, a decision approved by prime minister Nguyen Xuan Phuc asked producers of motorbikes and cars fewer than nine seats to label their energy statistics.

Starting April 25, the decision will encourage producers to voluntarily label energy until December 31, 2017 for car producers, and December 31, 2019 for motorbike producers. Then, the producers will be forced to carry out the decision.

The decision was designed to help the government in controlling emissions, saving energy and protecting the environment.
A decree issued on February and taking effect on April 1 ordered the State-owned Electricity of Vietnam (EVN) to not mobilise capital to invest in securities, banking, insurance, investment funds, real estate, as well as finance. The decree was issued to better control financial management of EVN.

The Ministry of National Defence will recover arrears of social insurance payment from its units following the circular No 37/2017-BQP. The circular says that all the ministry's units that delayed in paying social insurance for their labourers must make the payment starting as April 2. The move aims to ensure the rights of labourers under the ministry.


World Bank report on Vietnam's pork safety sparks concern, doubt

04/Apr/2017 Intellasia | Tuoitre News

A recent World Bank report claiming that up to 40 percent of pork in Hanoi and HCM City is potentially contaminated with the salmonella bacteria has raised concern and doubt as to whether the ratio is too high compared with Vietnam's own statistics.

The World Bank data may not truly reflect the meat safety situation in those cities, according to local insiders.

The report, released on March 27, points out several alarming issues in Vietnam's food safety risk management, such as the fact that 80 percent of pork is sold in wet markets, and 76 percent of meat is slaughtered in small and dirty facilities.

The World Bank also underlined that the most prevalent microbiological hazard in pork in Hanoi and HCM City is salmonella, with the bacteria found in 30 percent of the pork samples taken at slaughterhouses, and 40 percent of the pork found on sale at local markets.

Salmonella is a group of bacteria that cause typhoid fever, food poisoning, gastroenteritis, enteric fever and other illnesses, with people becoming infected mostly through contaminated water or foods, especially meat, poultry and eggs.

During the 2014-15 period, there were almost 370 outbreaks of food poisoning in Vietnam involving over 10,000 incidences resulting in the deaths of 66 people, with pathogen the biggest cause, accounting for 41 percent of the cases, according to the World Bank report.

Data difference

While the report has renewed concerns over Vietnam's food safety, some industry insiders have taken the World Bank statistics with a pinch of salt, as the 30-40 percent infection rate is far higher than the 10-20 percent rate announced by the Vietnamese Animal Health Department.

The department claimed different sample taking processes will produce different results, as they rely on a number of factors, including how many and when the samples are collected.

Huynh Thi Kim Cuc, deputy head of HCM City's food safety management board, told Thanh Nien newspaper she had yet to read the World Bank report.

The official said she could only comment on whether the World Bank data is accurate or not if she knows how, when and how many samples were taken.

Cuc said salmonella infection can easily take place during the slaughtering and transporting of meat, and given the humid weather of HCM City, "it is no surprise that the infection rate is so high as the World Bank may have taken the pork samples later in the afternoon."

Asoc. Prof and Doctor Nguyen Ngoc Tuan, a former lecturer at Nong Nam University, formerly the HCM City University of Agriculture and Forestry, also said the sample taking method greatly affects the result, so it is not incomprehensible that the Vietnamese animal health department and World Bank would have different data.

Van Duc Muoi, CEO of Vissan, Vietnam's leading meat processor, showed his support for the World Bank report, particularly the assertion that pork safety is not ensured as the meat is mostly produced and sold at small, dirty slaughterhouses and wet markets.

"As for the salmonella infection ratio, an agency should conduct an independent study to give consumers the final answer," he told Thanh Nien.


PM extends euro 4 deadline

04/Apr/2017 Intellasia | VIR

Diesel automobiles manufacturers and importers will have to apply the euro 4 standard from the end of December 31, 2017, as stipulated in the Notice 126/TB-VPCP dated March 10, 2017 by the prime minister.
On March 28, 2017, the PM has issued Decision 436/TTg-CN on the implementation of the roadmap for the application of euro 4 emission standards, as specified in Decision 49/2011/QD-TTg.

Accordingly, firms can continue to import, assemble, and manufacture diesel automobiles by the end of December 31, 2017, as mentioned in Notice 126/TB-VPCP on March 10, 2017 by the PM. For automobiles certified as meeting the emission standards, firms can carry out other related procedures.

These firms should finish carrying out the manufacturing and importing plan as well as other customs and registration procedures and sell the products before December 31, 2017. After this deadline, if firms cannot finish their plans, they will have to export their products and report to the Ministry of Transport (MoT) on this export plan.

The MoT has to cooperate with other involved parties to monitor the process. The Ministry of Finance, Transport, Industry and Trade, and the Ministry of Public Security will deal with the procedures in customs and registration and other procedures prescribed by law.

The government also assigned the Ministry of Industry and Trade to request petroleum enterprises to provide the Vietnamese market with euro 4 and 5 fuel, so that it can meet the need of firms assembling and importing automobiles as specified in the Decision 49/2011/QD-TTg.

In the fourth quarter of 2017, petroleum firms should also complete their infrastructure to ensure timely supply of euro 4 diesel oil on the market. The deadline for the start of supplying is January 1, 2018.

Before this decision, as reported by VIR, on March 14, 2017, the MoT surprisingly submitted the proposal on the application of euro 4 standards from as early as March 31, 2017. Immediately, the proposal raised wide-scale protest from domestic automobile companies.

Mai Phuoc Nghe, deputy general director of Truong Hai Auto Corporation, said that the firm has 7,000 trucks that had been previously ordered and cannot be delivered because they are not certified by Vietnam Register (VR). He added that customers are growing increasingly irritated.

Thanh Cong Group, which operates in manufacturing, assembling, and importing automobiles, is in the same situation. Le Ngoc Duc, general director of Thanh Cong, said that his firm manufactured H100 trucks with euro 2 diesel engines, which will be sold in the form of chassis, and it was allowed to be certified by the VR.

Based on the certificate on chassis and designs that the VR ratified in January and February 2017, the firm applied for a stock issue note to deliver 62 vehicles on order. However, since March 6, 2017, the VR has stopped providing stock issue notes for euro 2 automobiles.

Thanh Cong argues that it had finished its products and applied for the stock issue note in November 2016, when Decision 49/2011/QD-TTg was not in effect.

"At present, we have 366 chassis of H100 truck waiting to be packed and delivered. It is a waste and the reputation of our business will be damaged," Duc said.

Besides, VR cannot speed up the assessment and trial run of euro 4 engines because there is only one motor vehicle testing centre in Vietnam.

http://english.vov.vn/economy/pm-extends-euro-4-deadline-346812.vov

SBV signs ADB loan for central region climate change project

Project to be implemented in Dong Hoi and Hoi An to 2023.

State Bank of Vietnam Governor Le Minh Hung signed a Loan Agreement and an Aid Agreement with the Asian Development Bank (ADB) on March 25 for the "Development of Environmental and Urban Infrastructure to Respond to Climate Change" project in Dong Hoi (central Quang Binh province) and Hoi An (central Quang Nam province).

ADB pledged to sponsor $104 million for the project, of which $100 million is ordinary capital resources (OCR) loans and $4 million is non-refundable aid. The loan term is 25.5 years, with project implementation from 2017 to 2023.

The project aims to build infrastructure for climate change adaptation and flood avoidance in Dong Hoi and Hoi An.

It will also improve the capacity of agencies managing and implementing the project, raise public awareness, and strengthen the management capacity, operations, supervision and maintenance of works of a number of provincial and municipal agencies in order to ensure the efficient operation of the project.

Localities will receive assistance to reduce environmental pollution, improve the urban environment, and mitigate the negative impacts of climate change.

The project's governing agencies are the Provincial People's Committees of Quang Binh and Quang Nam. Executing agencies include the Dong Hoi Environment and Climate Change Project Management Unit and the Chu Lai Open Economic Zone Authority.


**2017 first quarter experiences low economic growth**

04/Apr/2017 Intellasia | VNA

2017 is an important transitional year of the implementation of Vietnam's 2016-2020 socio-economic development plan. However, the country's GDP posted 5.1 percent in the first quarter, lower than the corresponding periods of the two previous years.

Being one of the big garment and textile firms, Hung Yen Garment Company is facing a host of challenges from both world economy's impacts and domestic business environment.

Industry sector recorded 3.85 percent growth in the first quarter, the lowest level since 2011, attributing to diminishing the overall growth.

Experts say Vietnam should take a number of economic scenarios into account, given that world's economies are projected to witness low growths in 2017, not including risks from financial market as well as protectionism.

During the process of economic restructuring, Vietnam has to suffer weaker growth in a short time before garnering a sustainable growth in the long run, experts say.


**Exports gain 12.8pct in Q1**

04/Apr/2017 Intellasia | VNA

Vietnam's export revenue in the first quarter of 2017 rose 12.8 percent against the same period last year to 43.7 billion USD, according to the general Statistical Office of Vietnam.

The foreign direct investment sector (including crude oil) contributed most of the export revenue, 31.4 billion USD or 71.85 percent, up 13 percent while the state owned sector earned 12.3 billion USD, representing a year-on-year increase of 12.1 percent.

Positive growth was seen in several key export earners and agricultural products, including textiles and garments which brought home 5.6 billion USD, up 10.2 percent; electronics, computer and components, 5.3 billion USD, up 42.3 percent; footwear, 3.1 billion USD, up 10.5 percent; coffee, 1.1 billion USD, 30.7 percent; and vegetables, 671 million USD, 24.3 percent.

Vietnam's export turnover in 2016 is estimated at 175.9 billion USD, an 8.6 percent year-on-year increase.

http://en.vietnamplus.vn/exports-gain-128-percent-in-q1/109679.vnp

**Export of aquatic products earns 1.5 billion USD in first quarter**

04/Apr/2017 Intellasia | VNA

Vietnam earned 537 million USD from the export of aquatic products in March, bringing the total figure of the year's first three months to 1.5 billion USD, a year-on-year increase of 3.6 percent, according to the Ministry of Agriculture and Rural Development (MARD).

Leading markets for Vietnamese seafood are Japan, the US, China and the Republic of Korea (RoK), while the highest surge was seen in the Brazilian market with 67.6 percent, followed by the Netherlands with 55.6 percent, Japan with 28.5 percent and Canada 24.3 percent.

Imports of aquatic product were valued at 306 million USD in the period, up 30 percent compared to the same period last year.

Prices of Tra fish in the first quarter increased due to a decline in supply while businesses stepped up buying materials to fill their export orders in early 2017.

Meanwhile, shrimp supply was tightened while the demand of processor was on the rise, leading to increases in prices.


**VN manufacturing PMI hits 22-month high in March**

04/Apr/2017 Intellasia | VNS
The Nikkei Vietnam Manufacturing Purchasing managers' Index (PMI) rose to a 22-month high of 54.6 in March from 54.2 in February. According to a Nikkei's report released on Monday, the Vietnamese manufacturing sector ended the first quarter of the year on a positive note. The strengthening of business conditions was the most marked since May 2015. In addition, Vietnam's reading remained the highest among ASEAN countries, the report wrote. According to IHS Markit, which compiled the survey, improving client demand led to another sharp rise in new orders during March. The rate of growth in new export orders accelerated and was the fastest this year, so far. "Particularly pleasing in the latest month was a near-record increase in employment as companies maintained optimism that workload will continue to expand in the near term at least," Andrew Harker at IHS Markit said. "The manufacturing industry therefore looks set to continue to be a key driver of GDP growth in the first quarter and hopefully throughout 2017, for which HIS Markit forecasts a rise of 6.4 per cent," he added.

Hanoi's economy grows 7.06pct in Q1

Hanoi's economy grew in the first months of this year, with good performance in the industry-construction and service sectors, according to the municipal People's Committee. During January-March, the city's gross regional domestic product (GRDP) increased by 7.06 percent, the industry-construction sector grew by 6.99 percent, the service sector by 7.26 percent and the agricultural sector recorded growth of 0.54 percent. Development investment rose by 9.5 percent, while total revenue from goods and services increased by 7.6 percent and export turnover went up 2.1 percent. In the period, the capital's investment environment improved as well, with the city climbing 10 spots in the provincial competitiveness index, ranking 14th out of 63 provinces and cities - its highest ever ranking. The achievements were attributed to municipal authorities' efforts to attract investment and speed up infrastructure construction and key projects, including reforms in administrative procedures. In the first quarter, the city focused on attracting foreign investment, with priority given to hi-tech and environmentally-friendly projects and competitive products.

Companies' registration reaches record high in first quarter

New companies registered in the first quarter of 2017 dwarfed those of the same period in the past five years both in terms of number, total capital registered and average capital per company, only paling in terms of total number of workers registered, with 291,539 workers, down 9.5 per cent on year. Region-wise, both number and total capital increased in all regions. However, in terms of labour, regions in the north and central saw an increase in number of workers that the companies registered while Mekong Delta and southeastern regions saw a decrease. The infographic below provides an overview of new companies registered in the period.
Phone accessory imports surge
04/Apr/2017 Intellasia | Saigon-gpdaily

Phone and phone accessory imports surge by 20.7 percent compared to same period last year, said a representative from the general Vietnam Customs.

While revenue of phone accessory export reached $7.39 billion, a decrease of 10.7 percent compared to same period last year in the first three months, import revenue was $2.89 billion, a soar of 20.7 percent compared to same period last year.

It is estimated that total import-export value in the first three months reached $89.36 billion, an increase of 17.5 percent compared to same period last year. Of the amount of $89.36 billion, goods export totalled $43.73 billion, accounting for 12.8 percent and goods import totalled $45.63 billion, an increase of 22.4 percent.

Textile and garment exports in March reached $2.1 billion, a surge of 51.4 percent compared to previous month, bringing the sector's export revenue in the first three months to 45.63 billion, an increase of 10.2 percent compared to same period last year.


Vietnam's pepper products to be traded on VNX
04/Apr/2017 Intellasia | VNS

The Ministry of Industry and Trade has added pepper to the list of commodities traded on the Vietnam Commodity Exchange (VNX), according to the ministry's Decision 1071/QĐ-BCT issued on Wednesday.

Those pepper products to be traded on the VNX include black and white peppers with code H.S 090411 and black and white ground pepper with code H.S 090412.

Trading on the exchange will allow Vietnam's pepper industry to become increasingly professional in its global trading activities, reported the Vietnam Pepper Association.

Vietnam's peppers account for 60 per cent of total pepper volume trading on the world market, so the price of Vietnamese pepper has always had great influence on global pepper prices, noted officials.

Pepper traded on VNX will also connect to commodity exchanges in the world market, allowing for the transparency of information being exchanged, reducing risks during trading and offering insured pricing.

Since 2014, the Vietnamese government has planned to build the VNX, with the cooperation and support from the Indian government. The two governments have discussed the building of cooperation mechanisms and technical support between the two countries, which are the two largest pepper producers in the world.

Then, these countries can co-ordinate between them in regulation of the global pepper market.

The Ministry of Industry and Trade's Domestic Market Department said pepper, added to the list of commodities trading on the VNX, is very beneficial to the domestic pepper industry.

However, the ministry's Legal Department said the trading of commodities on the VNX has seen many problems due to regulations of Decree 158/2006/ND-CP, which is why the State should amend some regulations in the decree to create favourable legal conditions. This would help the VNX to operate more efficiently.

Therefore, the ministry will continue to submit to the government amendments and supplements to Decree 158, to make transactions on the VNX more favourable.

VNX has been licensed by the Ministry of Industry and Trade to operate with a total charter capital of VND150 billion.

Currently, there are three farming commodities trading on VNX, including rubber, coffee and pepper.

In the first two months of this year, the export volume of pepper reached about 16,000 tonnes, earning $112 million. The exports had a year-on-year reduction of nearly 20 per cent in volume and 36 per cent in value.

The reduction was due to the global pepper price, which dropped by 20 per cent on the world market against the same period last year.

Vietnam's largest pepper export markets in the first two months included the US, India, Germany and the UK, accounting for over 41 per cent of total pepper exports.

In 2016, Vietnam's pepper exports reached 177,893 tonnes, earning $1.43 billion, an increase of 35.3 per cent in volume and 13.5 per cent in value, year-on-year.

According to the Ministry of Industry and Trade's target in 2017, pepper will be in the group of 13 export items having export values of over $1.5 billion. The local pepper industry's export turnover this year was expected to reach $1.6 billion, up 13 per cent over 2016.

Urban project suspended in Đà nang

04/Apr/2017 Intellasia | VNS

The central city's Department of Construction has suspended construction of the coastal international Đà Phước urban project in downtown Hai Chau District due to an incomplete environmental assessment report.

The department said the project, which was formerly invested by Korean Daewon Cantavil, had been transferred to a new local investor - Novaland, or Sunrise Bay - for a new urban development on 175.9ha on coastal Nguyễn Tất Thành Street.

It said the project was granted a construction licence for infrastructure in the first stage on 46.6ha in January, but the project's investor has yet to complete the assessment of environmental impacts and fire prevention measures required by the Ministry of Natural Resources and Environment.

The department said the project intentionally began to dig wastewater discharge channels.

According to the announcement, the department also suspended the construction of the project's sea embankment for investigation of material used for the project.

The project was delayed from 2008 and eventually transferred from Korea's Daewon Cantavil to Novaland with total value of $250 million, according to an official source.

Last week, the city also suspended two big projects - the Biển Tien Sa villa project and the 43-storey Central Coast condotel project - for illegal construction.

The city also fined the two illegal construction projects with a cash of VND40 million (US$1,800) each.

In a meeting last week, the city's party also blamed the chief inspection under the department, Trần Văn Dũng, and some officials of the Sơn Tra District's People's Committee for poor management and control of illegal construction projects.


Vietnam woos Japanese investors into ICT sector

04/Apr/2017 Intellasia | The Saigon Times

Vietnam commits to create favourable conditions for Japanese enterprises investing in the information and communications technology (ICT) sector in Vietnam, said Vietnam's minister of Information and Communications Truong Minh Tuan at the Japan-Vietnam ICT forum held in Japan last Friday.

At the forum, Tuan said numerous Japanese ICT corporations such as Fujitsu, NTT, Canon, NEC and Hitachi have gained success in Vietnam.

Apart from its favourable geographic location, Vietnam has an improved legal environment, attractive incentives and modern infrastructure at hi-tech and information technology parks, meeting the investment demands of foreign corporations, Tuan added.

Vietnamese ICT enterprises such as VNPT, MobiFone, FPT and VTC are developing strongly with great potential in terms of capital, technology, human resources and management experience. Those enterprises are always encouraged and supported by the government, especially in business cooperation with foreign enterprises.

"Vietnam's ICT industry is in the process of strong growth and deep integration, creating a golden opportunity for foreign corporations to invest in Vietnam," Tuan said.

Japan's minister of Home Affairs and Communications at a meeting with Tuan announced that the Japanese government had assigned relevant agencies to study and carry out necessary policies to further promote trade cooperation in ICT between the two countries.

In related news, Fujitsu Ltd of Japan has announced a plan to attend more to Vietnamese individual consumers in 2017, instead of focusing on providing products and solutions for Japanese firms in Vietnam only.

In the coming time, Fujitsu will strongly develop partnerships to sell and distribute products to consumers throughout Vietnam.


Cambodia, Burma offer VN firms great investment opportunities

04/Apr/2017 Intellasia | VNS

There is a huge opportunity for Vietnamese firms to invest in agriculture in their countries and export agricultural produce to other markets, Cambodian and Myanmarese officials have said.

Meach Yady, chief of agricultural marketing at the Cambodian Department of Planning and Statistics, said his country has invested a lot in agriculture but the sector has not developed commensurately.
He was speaking at a meeting held in HCM City last Friday to introduce the International Exhibition and Conference on Agriculture, Livestock, Aquaculture, Fisheries for Cambodia and Myanmar.

Cambodia imports large quantities of fisheries products, animal feed, fruits and vegetables, dairy, and other agricultural products including from Vietnam, he said. "There is great potential for investment in the agricultural and agri-business sectors. "The government is modernising logistics and infrastructure and streamlining the process to facilitate business processes."

Vietnamese firms can invest in growing rice, cassava, maize, mung beans, vegetables, rubber, livestock, and fisheries, he said. Businesses can invest in expanding fragrant rice cultivation or rice milling targeting niche and specific markets, and in the rice seed industry, he said.

Besides, investment to produce quality inputs such as fertilisers and pesticides to increase productivity is also needed because farmers complain about the poor quality of imported inputs and possibly fraudulent labelling by unreliable suppliers, he said.

The cassava sector needs investment to make quality chips and pellets complying with international standards for export to China and Korea, while mung bean production has been hampered by the poor quality of seeds and therefore requires investment in seed production, he said.

He also called on Vietnamese firms to invest in vegetable production and processing as his country imports large volumes from Vietnam.

Investment in harvesting equipment and post-harvest processes is required to reduce losses during harvest and transportation, he said.

Many Vietnamese firms have invested in Cambodia, mostly in rubber, cassava, and sugarcane, and his country wants them to invest more as well as in more sectors, he said.

U Hnin Oo, vice president of the Myanmar Fishery Federation, said his country wants to boost exports of fisheries, but few of its processing facilities meet EU markets.

Since Vietnam is strong in fisheries exports, his country wants to cooperate with Vietnamese firms, he said.

Besides fisheries, livestock breeding also offers investment opportunities for foreign investors, including Vietnamese, he said.

According to the Myanmar Livestock Federation, with a population of around 54.5 million and increasing income, Myanmar offers opportunities in livestock and animal feed production.

Investment in livestock production could be 100 per cent foreign or joint ventures with local individuals or relevant government departments or organisations, he explained.

International exhibitions

The exhibition - two of them, to be held from August 2 to 4 in the Cambodian capital Phnom Penh and from September 27 to 29 in Yangon in Myanmar - would offer Vietnamese firms a good opportunity to understand more about those markets and explore business and investment opportunities, delegates said.

The events are expected to attract 80-100 exhibitors each and 2,500 trade visitors, according to Minh Vi Exhibition and Advertisement Services Co.Ltd, the organiser.

Ten Vietnamese firms took part in the expos last year and the number is expected to be higher this year, it said.

In addition to showcasing latest technologies and equipment as well as agriculture, livestock and fisheries products, the biggest international agricultural exhibitions in Cambodia and Myanmar also feature business matching between suppliers and distributors and professional conferences and seminars to help participants understand the investment opportunities in the two markets.

FDI bolsters local marine prospects

Despite the economic dip in the shipbuilding industry, prospects are bright for the Vietnamese maritime sector thanks to the increasing interest of foreign investors in the field.

Hendrik Lacet, managing director of Maritime-Consult Lacet, is upbeat about the Vietnamese maritime industry. "Currently, Vietnam ranks eighth in the world regarding new shipbuilding, with 1.3 million compensated gross tonnage," he said. "This means that the number of orders is growing again after a slow period."
According to Lacet, Vietnam secured this position by restructuring its shipbuilding sector. Output for the Vietnamese shipping industry was, until recently, 70 percent bulk carriers. But it has now changed to other ship types, such as product tankers, crew boats, patrol crafts, car carriers, and fishing vessels.

The Vietnamese government has started a large programme to build 300,000 steel fishing vessels by 2020 to replace existing wooden vessels and extend the fishing fleets.

"Part of this restructuring is allowing foreign shipbuilders, like Damen Shipyards from Holland, Vard from Norway, Pilion from France, and Triyards from Singapore, to secure a firmer foothold in Vietnam," he said.

Vietnam is ordering 61 new vessels in 2017, including one vessel from Saigon Marine with a capacity of 2,350 deadweight tonnes (dwt), two 2,000dwt vessels from Triyards, and eight 11,800dwt vessels from Vard.

In light of the potential growth trajectory for the industry, more than 300 local and foreign companies gathered at INMEX Vietnam 2017-Vietnam's leading maritime expo-to source the best products and technology for their next projects in Vietnam and the region.

Tom Chant, director of the Society of Maritime Industries (SMI), said that it is important for UK companies to develop new relationships and hear about new opportunities in the wake of Brexit. The three well-known UK brands of B. Hepworth & Co, Chartco, and HAES Systems, as well as the National Oceanography Centre, attended the expo, on the hunt for potential partners.

The expo also drew Asian shipping powers. Winnie Low, executive director of the Association of Singapore Marine Industries, said, "A total of 22 companies with a wide array of marine and offshore technologies, products, services, and solutions will be represented in the Singapore Pavilion this year. INMEX Vietnam will be a great platform for Singapore companies to connect and network with local and international maritime industry professionals."

According to the organising committee, Vietnam is in a favourable geographical location, benefiting from more than 3,200 kilometres of coastline, 127 ports, and 1,900km of navigable inland waterways. In addition, it is well positioned to major international maritime routes.

The maritime industry in Vietnam has tremendous potential, as recognised by many experts in the field. With the government's support and private businesses' investments estimated to amount to $1.5 billion by the year 2020, the maritime industry is set to develop and grow rapidly to cope with impending pressure from increasing trade.

According to Jack Wei, general manager of Informa and co-organiser of INMEX Vietnam 2017, the mega expo is an exceptional meeting point for the global maritime community in Vietnam, a region where the industry remains buoyant and strong growth is set to occur. This year, the number of international exhibitors made up 90 percent of the total.

Northwest hopes to turn tourism into spearhead sector by 2030

The Steering Committee for the Northwest held a meeting in Hanoi on April 3 to look into ways to transform tourism into a spearhead industry in the region by 2030.

Standing vice Chair of the committee Hau A Lenh said the meeting was a chance for local officials to seek advice from tourism experts and pinpoint obstacles in tourism development so as to mobilise resources, especially from private sector, to foster the growth of tourism, thereby helping to eliminate poverty, tap into local advantages, and turn tourism into a spearhead economic sector in the northwest by 2030.

Participants, including officials of ministries, central agencies and north-western provinces, said there remain a number of shortcomings in the northwest's tourism sector, despite the region's great potential.

They admitted many local officials are not aware of the role of tourism in socio-economic development. Meanwhile, underdeveloped infrastructure and tourism services have hampered tourists' access to local destinations. Another lingering problem is the shortage of quality manpower in the industry.

Experts in the tourism industry also expressed concern about worsening pollution at many places of interest.

Participants underlined the role of the Steering Committee of the Northwest in connecting regional provinces' tourism activities to ensure the consistency in the tourism market and product quality. It should coordinate the making of tourism development strategies so as to avoid overlapping products.
Apart from the continued improvement of transport infrastructure, drastic moves must be made to protect the environment and ensure security and safety for tourists. It is also necessary to provide high-end and modern tourism products, especially those relating to the region's strengths such as natural landscapes.

Participants asked for stronger tourism promotion and support for environmentally friendly types of tourism such as eco-tourism, rural tourism and adventure tourism.

The northwestern region, consisting of 12 provinces and 21 western districts of central Thanh Hoa and Nghe An provinces, is the main focus of the National Tourism Year 2017.

HCM City seeks approval for solid-waste treatment plan

04/Apr/2017 Intellasia | VNS

The People's Committee of HCM City has submitted a solid-waste treatment plan to 2025 to the Ministry of Construction, which will seek approval from the central government.

The plan calls for re-use and recycling of waste by using advanced waste treatment technologies instead of the burying of waste.

Such advanced technology will save land use and construction costs for new waste treatment facilities. The plan creates an inter-district network of entrepots using advanced technologies to meet demand for collection, transport and treatment of solid waste.

The plan also identifies facilities and areas of potential operation to meet demand for the entire city. Covering 30,400 sq.km with around 18 million people, the areas under the scheme border the provinces of Bình Dương, Đồng Nai, Bà Rịa - Vũng Tàu, Tây Ninh, Long An and Tiền Giang.

All of these areas discharge 9,000 to 9,500 tonnes of solid waste per day, including 7,500 to 8,000 tonnes a day from household activities, as well as 1,500 tonnes a day from construction works.

The volume of solid waste from household activities has increased by 7 to 8 per cent annually in these areas.

Hazardous solid waste is around 150,000 tonnes per year, including 6,500 tonnes of hazardous healthcare waste per year.

Around 7,200 to 7,500 tonnes of household waste, or over 90 per cent of solid waste from households, are collected and transported to waste treatment complexes every day.

However, the solid waste is not sorted, making it difficult for waste treatment facilities to recycle or re-use.

Burying waste remains the main means of disposal, accounting for 75 per cent of the city's daily waste discharges. Fifteen per cent of waste is treated with compost recycling technology and five to 10 per cent with waste burning technology.

HCM authorities said the high rate of waste burial poses risks to public health and to the environment.

As the city has no large recycling plants, solid waste has to be purchased and sorted at nearly 1,000 small-scale and household facilities and recycled at 10 recycling plants.

The city has two treatment complexes, the 614-ha Đa Phước Complex in Bình Chánh District's Đa Phước Commune and the Phó Hiệp Complex in Củ Chi District's Phó Hiệp Commune.

City authorities have plans to reduce the area of the Phó Hiệp Waste Treatment Complex from its current 687ha to 533ha.

Two other complexes, 45-ha Đồng Thạnh Complex in Hoc Mon District and the 25-ha Go Cat Complex in Bình Chánh District, were closed in the past decade.

Speaking at a meeting with a delegation from the People's Council last week, Huỳnh Thị Lan Phương, deputy director of the Vietnam Waste Solutions, a licensed Vietnamese corporation fully owned by California Waste Solutions, said the increase in waste volume treated at Đa Phước Complex had exerted pressure on the plant. Around 3,000 to 5,000 tonnes are treated each day.

In order to reduce the volume of waste treated at Đa Phước, Việt Nam Waste Solutions will invest in another waste-burning plant which can treat 1,500 tonnes of waste per day, Phương said.

The treated waste will be used to make by-products such as electric power, VNG gas, compost and organic fertiliser.

Tien Giang earns record export revenue in Q1

04/Apr/2017 Intellasia | VNS
The Mekong Delta province of Tien Giang earned a record export revenue in the first quarter of 2017, the provincial Department of Industry and Trade has said.

During the first three months of the year, the provincial export value reached $627 million, which is around 27 per cent of its annual target and more than 50 per cent increase year-on-year, Ngo Van Tuan, director of the department, said. Around 58.5 per cent of this contribution came from foreign-invested enterprises.

Tien Giang's major export products, including handbags, apparel, bronze pipes, processed seafood and footwear, have recorded a strong growth. The export value of handbags and garments hit around $157 million and $128.5 million, a year-on-year surge of 52.3 per cent and 52.8 per cent, respectively. The export of bronze pipes stood at 14,000 tonnes, earning $93.3 million, up 38 per cent in volume and 60.8 per cent in value.

Processed seafood soared 57.3 per cent in volume and 56.3 per cent in value to 44,400 tonnes and $88.4 million.

America remained Tien Giang's largest export market, accounting for 40 per cent of its exports, followed by Asia and Europe, which indicates that the province's products met the strict quality and export standards set by American markets.

Since the start of this year, Tien Giang has been pushing for an action plan to carry out the 2011-20 export-import strategy with a vision to 2030. Its focus has been on facilitating business development, creating favourable conditions for enterprises in developing export products and markets, and attracting investments.

Tuan said the province has closely watched enterprises' production and business, especially of exporters of key products and large enterprises, and helped resolve many of their problems. The province has been focusing on development of new export markets to avoid dependence on one or two traditional export markets, he added.

The department has also shared detailed information about bilateral and multilateral free trade agreements between Vietnam and its foreign partners with local enterprises to help them pursue new opportunities.

In 2017, the province expects to earn $2.35 billion from exports, up 11.4 per cent year-on-year.

Tien Giang, Palau sign seafood cooperation agreement

The Republic of Palau and the Mekong Delta province of Tien Giang have signed a cooperation agreement on fishing and seafood consumption.

The document was inked on April 3 between Speaker of House of Delegates of Palau Sabino Anastacio and the Thai Hoa Trading Service Seafood Company based in Tan Phuoc district.

During a reception for the Speaker and his entourage, vice Chair of the provincial People's Committee Le Van Nghia introduced local economic potential and investment opportunities in fishing, seafood processing and export, industrial trees and tourism development.

The Speaker also briefed the hosts on the potential and investment opportunities in his country.

The Republic of Palau has a total area of 458 sq.km and around 21,000 people. It boasts huge potential for forestry, minerals and sea products. Its major exports include dry coconut and tuna.

Tien Giang strives to catch 98,000 tonnes of seafood this year

The Mekong Delta province of Tien Giang has caught nearly 23,000 tonnes of seafood since early this year, up nearly 3 percent year-on-year, said acting director of the provincial Department of Agriculture and Rural Development Cao Van Hoa.

The province strives to bring ashore 98,000 tonnes of seafood for domestic and foreign consumption this year, he said.

Fishing is the main livelihood for the populations in the coastal districts of Go Cong Dong, Go Cong Tay, Tan Phu Dong, Go Cong township and My Tho city.

The province is currently home to more than 1,300 fishing vessels, 994 of them are able to go for deep-sea fishing.
My Tho and Vam Lang fishing ports, part of the national fishing port system, have handled some 10,000 tonnes of fish and shrimp from more than 2,000 fishing vessels since the beginning of this year.

In Vam Lang township, Go Cong Dong district, a seafood processing village has been built, accommodating 120 facilities and about 900 households specialised in purchasing and processing seafood into dried produce or fish sauce serving domestic and foreign markets.

Quang Ninh authorities talk with businesses
04/Apr/2017 | VNA

The People's Committee of northern Quang Ninh province held a dialogue with over 600 representatives from businesses and cooperatives in Ha Long city on April 3 to update them on the local policy on socio-economic development 2017 and extricate difficulties for enterprises.

The meeting was also intended to seek funding for businesses from the Small- and Medium-Sized Enterprise Development Foundation.

Pham Hai Quynhhe, director of Van Hai Xanh Travel and Transport JSC, said he hopes the funding will help develop local SMEs, and suggested making it easier for businesses to complete all necessary procedures.

Chair of the provincial People's Committee Nguyen Duc Long said it takes 20 days to handle administrative procedures.

Quang Ninh ranked second nationwide in provincial competitiveness index (PCI) with 65.60 points in 2016, leaping one place from 2015.

A total of 1,667 businesses were established in 2016 with a total registered investment of 11.76 trillion VND (552.7 million USD), a year-on-year rise of 13 percent in volume and 21 percent in capital.

Dong Nai continues to lure foreign investment
04/Apr/2017 | VNA

The southern province of Dong Nai attracted 314 million USD in foreign investment (FDI) in Q1 2017, up 53.4 percent year-on-year and reaching 31.4 percent of its yearly plan, announced the provincial Department of Planning and Investment.

Of the investment, 137 million USD was registered to pour into 15 newly-approved projects, while 177 million USD was added to 16 existing projects.

From the start of this year, new projects came mainly from the Republic of Korea (RoK), Japan, Singapore, British Virgin Islands and Germany.

According to the Department of Planning and Investment, invested projects in Dong Nai focused on the locality's prioritised fields such as high technology, support industry and environmentally friendly projects.

To date, a total of 1,679 FDI projects have landed the province with a combined capital of 30.6 billion USD, including 1,262 valid projects worth 25.7 billion USD and 417 projects worth 4.8 billion USD revoked.

These projects came from 45 countries and territories, with the RoK, Taiwan (China) and Japan being the leading investors.

UK oceanography centre brings expertise to VN expo
04/Apr/2017 | VNS

The UK's National Oceanography Centre sent a delegation to HCM City for the international maritime exhibition INMEX Vietnam which ended on March 31.

The visitors, marine scientists and executives, had a booth at the three-day expo and organised seminars and networking sessions.

"This is the first time that NOC has come to Southeast Asia with such a delegation," Kevin Forshaw, NOC's associate director for innovation and enterprise, said.

"NOC collaborates extensively with industry, transferring its knowledge and developed technology to improve business operations and help drive innovation for new product development."
"Key themes within the NOC's global partnerships programme will be to promote resilience to climate change, food and energy security, Blue Economies and innovation in marine technology."

NOC is home to Europe's largest fleet of autonomous and robotic vehicles and also manages two state-of-the-art scientific research vessels.

Vietnam's maritime industry has tremendous potential as many experts acknowledge. It has a favourable geographical location, with 3,200 kilometres of coast, 127 ports, 1,900 kilometres of navigable inland waterways, and proximity to major international maritime routes.

With the government's support and private investments, the maritime industry is set to develop and grow rapidly, according to experts.

Seaford traders still count cost of Formosa disaster
04/Apr/2017 Intelliasia | DTI News

Dozens of traders in Ha Tinh Province are facing huge losses as hundreds of tonnes of jellyfish cannot be sold due to the mass fish deaths caused by the Formosa pollution incident.

Tuyet Anh, the owner of a frozen seafood shop in Loc Ha District, said her family was storing about 14 tonnes of rotten jellyfish and 78 tonnes of other expired seafood. She had no idea how to destroy and deal with the expired food.

"Jellyfish is only good for three months in stock but it has been a year since the disaster. The jellyfish has gone rotten and it's difficult to destroy them now. We hope the authorities will support us," she said.

Le Huy, owner of Huy Loc Seafood Processing, is also storing nearly 50 tonnes of rotten jellyfish.

"We bought the jellyfish last April for the tourism season. But when the Formosa disaster happened, we couldn't sell the jellyfish," Huy said.

Huy said he didn't know how to destroy the jellyfish and feared that he might pollute the environment if the method is not correct. He also hoped to receive support from the authorities.

Traders facing huge losses

The residents living nearby are also dealing with foul odour. "In recent months, our lives have been turned upside down. The rotten jellyfish exude an unpleasant smell and it makes us very upset," said Nguyen Thi Hoa.

Ha Tinh Province has some 839 tonnes of unsellable jellyfish. It would cost an estimated VND42bn (USD1.8m) to destroy the whole inventory. However, the jellyfish is not included in the categories covered by government support.

Ha Minh Tan, chair of Thach Kim Commune, said, "Our commune has 70 tonnes of jellyfish at 13 facilities. Jellyfish, fish sauce and dried fish and salted shredded meat aren't covered by the government compensation. We have reported to the district and provincial authorities and are waiting for feedback." Nguyen Duy Binh, chair of Thach Bang Commune, also said that they couldn't do anything as they don't have the authority.

218,000 holders of post-secondary degrees unemployed
04/Apr/2017 Intelliasia | The Saigon Times

Holders of bachelor, Master's or doctorate degrees struggling with unemployment grew to more than 218,000 in the fourth quarter of last year, making up nearly half the number of skilled workers without a job.

The latest Labour Market Newsletter of the Ministry of Labour, War Invalids and Social Affairs shows unemployment in the final quarter of last year slightly declined from the preceding quarter in terms of both number and rate.

Specifically, the jobless numbered 1.1 million, around 7,000 fewer than in the third quarter of last year. The overall unemployment rate for the fourth quarter of 2016 was 2.31 percent, versus 2.34 percent in the preceding three months.

Despite a better picture of employment, joblessness tended to rise again in the group of people with post-secondary degrees. Out of the total of more than 470,000 skilled workers without a job in the last quarter of 2016, nearly half were holders of bachelor, Master's or doctorate degrees, an increase of 16,500 people from the preceding quarter.

The groups with "primary" and "under three months" qualifications also faced higher unemployment like those with an academic degree.
The number of people with secondary education out of work rose from 29,000 to over 40,000. The number of those with "under three months" qualifications expanded from nearly 10,000 to more than 17,000.

Only the groups with "intermediate" and "high" levels had a smaller number of jobless people, about 14,000 and 6,000 respectively.

The unemployment rate remained the highest among youths. The number of unemployed people aged between 15 and 24 was some 587,000, equivalent to an unemployment rate of 7.28 percent. Although this figure is slightly lower than in the third quarter of 2016, it is still higher than in the same period of 2015, and more than tripled the overall unemployment rate (2.31 percent).

The number of people facing long-term unemployment (12 months or more) accounted for 24 percent of the total number of jobless workers. Some 54 percent of these unemployed people had never had a job, or unemployed for the first time.

The Ministry of Labour, War Invalids and Social Affairs is drawing up a plan for sending high-skilled workers overseas. This is a step to take advantage of redundant labour in the country, particularly those holding post-secondary degrees.

Public employees still earn the most

The report by the labour ministry said the monthly income of salaried workers in the fourth quarter of 2016 was VND5.08 million, an increase of VND143,000 (2.9 percent) from the preceding quarter, and VND412,000 (8.8 percent) over the same period in 2015.

Workers in high-tech occupations, craftsmen, machine operators and manual labourers all had higher incomes than in the third quarter of 2016 and the same period in 2015. Those working in the finance, banking and insurance industries earned the most, 2.25 times higher than the lowest income group, agro-forestry-fishery.

The average income of employees at companies in all forms of ownership improved in the fourth quarter of last year, with the foreign-invested sector recording the highest growth compared to the third quarter and the same period in 2015.

However, wages in the State sector remained the highest. Specifically, public employees were paid VND6.56 million per month, while those working at foreign-invested companies gained a monthly income of VND6.36 million.

The lowest paid was the collective sector, or cooperatives, with VND3.66 million per person a month. http://english.thesaigontimes.vn/53268/218000-holders-of-post-secondary-degrees-unemployed-.html

**Vietnam Lee & Man admits causing environmental pollution**

04/Apr/2017 Intellasia | The Saigon Times

Vietnam Lee & Man Paper Manufacturing Ltd has admitted a trial run of its paper mill project has caused environmental pollution in the Mekong Delta province of Hau Giang.

The company's general director, Chung Wai Fu, said in a report on its plant's test operation that the environmental protection measures have been working, except for some objective issues such as noise, dust, and unpleasant odor.

He said air pollution might come from dust at its coal warehouse and a vacant land area behind it. On sunny days, strong winds move dust to the nearby area of the Mai Dam River.

"The company will install dust-proof nets around the coal warehouse and plant trees at the unused site behind the facility on April 3. It is expected the job can be done by April 17," he said in the report.

The noise came from its thermal power plant during the first trial run on January 2. Since then, the company had installed a sound-proof and silencer system which was put in place on January 24.

According to the report, the company will put on a sound insulation wall at thermal power plant's cooling tower to improve noise reduction efficiency. The device is expected to be installed by April 13.

Besides, the company said the unpleasant odor had come from its dry mud storage facility and mud basin at its wastewater treatment plant. It has plans to install a deodorant machine to solve the problem.

He said the trial operation phase aims to address the project's shortcomings. Therefore, the company hoped the Ministry of Natural Resources and Environment, local authorities, and technical groups will directly supervise its operations, conduct inspection tours frequently, and give comments so that it can gradually improve the project before the official run.

The Southern Environment Department under Vietnam's general Department of Environment has inspected the plant's operations following complaints of local residents, said its director general Tran Phong.
However, he has refused to confirm whether or not the project's environmental pollution exists, and the department's treatment solutions.

The public has expressed their serious environmental concerns over the project's operations in the long run.

The Ministry of Natural Resources and Environment and the local government should adopt more drastic solutions to the project, as paper production poses a serious threat to the environment. Notably, the project is located in a key production area of rice, fruit and seafood nationwide.


2017 salary guide reveals top-paying jobs
04/Apr/2017 Intellasia | VNS

Adecco Vietnam has launched its fourth Salary Guide, which includes an update and overview of salary information for key positions in various sectors and industries.

It covers seven industries in which the company specialises, such as finance and banking, legal and compliance, office, sales marketing and events, information technology, engineering and technical fields, and medical and life sciences.

It is based on Adecco Vietnam's permanent positions and client and employee needs.

The information includes job description, salary range and years of work experience.

Andree Mangels, general director of Adecco Vietnam, said "While Vietnam has an abundance of young labourers, youth unemployment remains high as the gap between academic training and real world business skills has widened. Talent shortages, especially among senior level jobs, continue to be a challenge for businesses as companies tried to engage and retain their existing talent base.

"While compensation plays a key role in employee retention, firms are exploring different ways to keep their key talent engaged without getting caught in a pay-inflation spiral."

Adecco Vietnam Salary Guide 2017 aims to provide companies the insights they need to meet emerging salary expectations in order to attract and retain talent, Andree said.

It is available for free download at the company's website adecco.com.vn.

The salary guide was undertaken in seven countries in Asia Pacific: Singapore, Thailand, Hong Kong, Taiwan, Korea, China and Vietnam.


CAAV denies floor fare plan for domestic flights
04/Apr/2017 Intellasia | The Saigon Times

The Civil Aviation Authority of Vietnam (CAAV) said it has not weighed any plan to propose floor fares be added to draft regulations on prices of transport services for economy-class passengers on domestic flights.

CAAV clarified the point days after local media reported that the aviation watchdog had collected comments on a draft decision which also sets the lowest economy-class fares for domestic air services and had considered a plan for this.

CAAV director general Lai Xuan Thanh was quoted by the Vietnam News Agency as saying that the agency has not either proposed a plan to impose the lowest air ticket prices for domestic flights or collected comments from relevant agencies on the matter.

The ministry has gathered opinions from airlines on air fares to improve draft regulations on fares. Jetstar Pacific suggested in its comment that authorities should consider a plan to apply floor fares in addition to increasing the ceiling fares as sought by CAAV.

The low-cost carrier's suggestion is in line with the country's civil aviation law and factoring in the situation of the local aviation sector and its operation, according to CAAV.

Thanh affirmed that the floor fares for domestic flights are just a suggestion by an airline, and CAAV has not sent the Ministry of Transport any relevant plan.

Earlier, local media reported that CAAV had collected comments on a draft decision comprising of floor and ceiling economy-class fares for domestic air routes.

A source told the Daily that the transport department at the Ministry of Transport recently organised a meeting with the participation of airlines to gather input for the draft decision. Representatives of Vietnam Airlines and Jetstar Pacific threw their weight behind the floor economy-class fares while no-frills carrier Vietjet objected to this idea.
Jetstar Pacific said the lowest air tickets would make it easy for airlines to build fares. The low-cost carrier claimed that local airlines were able to increase their combined seat supply by over 30 percent between 2014 and 2016, so they were forced to cut fares, even to levels lower than operation costs, to entice passengers.

Jetstar Pacific, majority-owned by Vietnam Airlines, said airlines would have to continue a price war in the near future. The airline noted fare competition had made inroads into its operations and affected sustainable growth of the country's aviation market.

Jetstar Pacific said airfares which are sometimes lower than train fares may lead to an imbalanced development between the aviation industry and other transport sectors.

The carrier proposed setting the floor fares based on direct flight costs, including facility leasing, maintenance, labour, service and insurance costs. The floor fares of five types of domestic routes should be equivalent to 29-34 percent of ceiling fares.

However, Vietjet said the floor economy-class fares for domestic flights should not be imposed. Commenting on the draft decision, the airline argued that applying the floor fare in any form would run counter to the 2014 Competition Law and international practices.

No country in the world now applies the floor price to air transport service for passengers, Vietjet noted. The carrier warned the floor fares will eliminate competition among airlines to cut prices, thus lessening opportunities for people to travel by air and distorting the aviation market.

It is difficult to calculate the floor fares as airlines use different methods to set them, Vietjet said, adding that different aircraft certainly require different operating costs for airlines.

Vietjet called for the ministry and CAAV to organise conferences with the participation of the Party Central Committee's Economic Commission, research institutes and experts to discuss the impact of the planned floor fares on tickets of domestic flights. It is necessary to conduct consumer surveys on application of the floor economy-class fares on domestic flights.


Gov't policy & legal