

NEWSLETTER FROM VIETNAM

April 2017



A shop in Van Phuc Silk Village- Hanoi

A warm welcome to all our readers

Information in this newsletter is presented on a synthetic basis with a reference number. On request, our offices will be pleased to assist any Brussels company who wishes to receive further information on any of the topics exposed hereunder. Please return by e-mail the topic with its official heading, mentioning the issue and the reference number.

You may also find our newsletters on the website of: <http://www.invest-export.irisnet.be>

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New animal feed mills unlikely

The Department of Live Stock Production has proposed the Ministry of Agriculture and Rural Development (MARD) stop approving new animal feed factory projects in the country with argument that the domestic livestock industry is struggling with an over supply which has sent prices of livestock, especially pigs, dipping. (*Saigon Times Daily, 07/04/2017*)

Leather, footwear exports to grow 11.6% to \$26 bil by 2020

Vietnam is targeting to earn between US\$ 24 bil to US\$ 26 bil from leather and footwear exports by 2020 under the revised plan for leather and footwear industry development until 2025 with a vision to 2035. Despite of achievement such as the sector has invested in upgrading equipment, building new large scale plants with advantage equipment and technology to raise the production capacity, there remains some targets which have not been accomplished: number of enterises applying automation in designing and developing products is modest; transformation of product structure and establishing a specialized industrial zone for the sector, especially for leather tanning; demand for raw materials would also surge strongly and so if supporting industry is not developed in the coming years, the industry would have to depend greatly on imports. There are some 1,700 enterprises in the sector in Vietnam of

which 800 are large. Foreign invested enterprises account for 80% of the sector's exports. (*Vietnam News, 10/04/2017*)

Pharmaceutical imports in 2016



Belgium exported to Vietnam US\$ 79.87 mil, down 9.5% compared to 2015. (*Vietnam Investment Review, 10-16/04/2017*)

Belgian Rent- A-Port NV sign deal to ease Mekong salination

Rent-A-Port Green Energy inked an MOU to develop wind and solar driven micro desalination, in a bid to solve the problems of salt water harming rice fields in the Mekong Delta region. Under the agreement, the Belgian firm will set up 5 demonstration wind-powered water desalination plants with a total investment of US\$ 15 mil. (*Vietnam News, 10/04/2017*)

ADB urges Vietnam to cut budget deficit

Vietnam will have to reduce its budget deficit in an "ambitious" way to stabilize the economy. Mounting public debt pressure has prompted the Government to set ambitious targets for the budget deficit, 3.5% of GDP in 2017 and about 4% next year. Public debt including government guaranteed debt is now estimated to exceed 63% of GDP, nearing the 65% limit set by the National Assembly. (*Saigon Times Daily, 11/04/2017*)

Govt sets solar power price at 9.35 cents

State utility Vietnam Electricity Group (EVN) is required to buy all output from solar power projects connected to the national grid at 9.35 US cents, excluding VAT, according to a new decision of the Prime

Minister. The solar price would allow investors to earn some profit. 2017 would see a surge in solar power development as many domestic and foreign investors are getting involved in solar energy projects with each having capacity of 30 to 100 MW. *(Saigon Times Daily, 17/04/2017)*

City struggling to hit wastewater treatment goals

HCMC authorities are struggling to reach the target of having wastewater treatment system at all export processing zones, industrial parks and industrial complexes by 2020, however, more than 13 industrial complexes in HCMC do not have waste collection and treatment facilities, the other have wastewater treatment system but they do not operate efficiently. In addition, the city has 42 residential area projects of at least 20 ha each, by the end of last year, 20 of the projects had opened but only half had wastewater treatment system. The city is calling for investment in 12 wastewater treatment plants to treat 3 mil m³ of wastewater per day in the city. Phu Dien Construction Trading and Investment JSC, SFC Vietnam Investment Development for Environment Corp, Trung Nam Construction and Investment JSC, had offer suggestions on plans to develop wastewater treatment facilities. *(Vietnam News, 18/04/2017)*

Binh Thuan attracts VND 1.6 bil in new investment

Binh Thuan Province approved 16 projects in energy, tourism and hi-tech agriculture with total registered capital of VND US\$ 1.6 bil. In which Hoang Quan Consulting Trading Service Real Estate Corporation will develop on nearly 200ha on tourism service center, amusement park, residential area and marina; Thong Thuan Milk JSC pledges to invest US\$ 172 mil in a high tech agriculture complex to raise cattle and process dairy products; in the energy sector, among the approved projects are solar power plants Vinh Hao (30Mw); EcoSeido Tuy Phong (40Mw- phase 1), VSP Binh Thuan 2 (30Mw), Hong Phong 1 and 2, and wind energy parks Thai Phong (14.5 Mw), Thai Hoa (30Mw), Ham Kiem (15Mw) and Hoa Thang (100Mw) *(Saigon Times Daily, 20/04/2017)*

Belgian Rent-A-Port leads in green foresight

Green projects to be carried out by Rent-A-Port	
No.	Details of the projects
1	Research on development of a green industrial cluster in Haiphong where green energy production and supply facilities will be built, clean water will be produced from local water sources by green power, wastewater will be collected and treated to international standards, and high-tech and environment-friendly projects will be privileged.
2	Research on green energy production for industrial zones in Haiphong. The Haiphong People's Committee will facilitate Rent-A-Port's study and development of energy-from-waste projects, with waste sourced from Dinh Vu and Trang Cat dumping sites.
3	Research on wind-powered water treatment in Cat Hai – supplying 400 cubic metres a day of clean water to 4,000 residents of the island in the first stage. This is a pioneering project for Haiphong, and can be replicated in other provinces with water shortages. Both parties will co-operate in requesting €4.5 million (\$4.82 million) in official development aid from the Belgian government to fund this project.

(Vietnam Investment Review, 24-30/04/2017)

Vietnam attracts US\$ 11 bil of foreign investment in first 4 months

As much as US\$ 10.95 bil in foreign investment flowed into Vietnam, in first 4 months of the year, including from mergers and acquisitions (M&A) deals. The processing and manufacturing sector took the lead in attracting foreign funds, with total of US\$ 7.36 bil, accounting for 69.53% of the nation's total. The mining sector came second of US\$ 1.28 bil, accounting for 12% and the third place was the whole sale and retail sector with total registered capital of US\$ 546.68 mil, making up 5.16%. (*Saigon Times Daily, 26/04/2017*)

Quang Ninh Province's shift to green economy

The northeastern coastal province of Quang Ninh has been restructuring its economy towards increasing the green growth with efforts focusing on processing and manufacturing industries, while decreasing the growth of minerals exploitation. The city will promote environmental policies, and mechanisms; community awareness; energy saving; environmental protection and rehabilitation in mining areas, ...etc. From last year until 2020, the province will prioritise projects in tourism infrastructure development, sustainable growth; forest protection and development; construction of wastewater and waste treatment systems in Van Don Economic Zone; and development of renewable energy. (*Vietnam News, 27/04/2017*)

HCMC supports Tuan Chau to build chemical trading center

The HCMC government has thrown its support behind a plan by Tuan Chau Group to develop and operate an aromatic and chemical trading center of regional stature in the city. The large, modern warehouse system will not only cater to the need of storage and trade of flavors and chemicals by organizations and individuals in HCMC but also other traders and production facilities from neighbouring provinces. In addition, this will be a center for research, experiments, consultancy and international exhibition. HCMC urged the group to submit a detailed construction plan and complete relevant legal procedures to soon develop the project. (*Saigon Times Daily, 31/03/2017*)

EXCHANGE RATE

1US\$ = 22,465.0 VND

1EUR = 24,467.1 VND (*Oanda on 30/04/2017*)

FAIRS AND EXHIBITIONS

Vietnam Medi- Pharm 2017

Time: 10-13 May 2017

Venue: ICE- Int'l Center for Exhibition, Hanoi

Website: <http://vietnammedipharm.vn/>

Banking Vietnam 2017

Time: 18-19 May 2017

Venue: Sheraton Saigon Hotel, Hochiminh City

Website: <http://banking.org.vn>

Coffee Expo Vietnam 2017

Time: 01-03 June 2017

Venue: Saigon Exhibition & Convention Center, Hochiminh City

Website: <http://vietcoffeefair.com>

Vietnam International Retail + Franchise show

Time: 01-03 June 2017

Venue: Saigon Exhibition & Convention Center, Hochiminh City

Website: <http://vietrf.com>

Vietnam International Exhibition on Products, Services of ITC 2017

Time: 07-09 June 2017

Venue: Saigon Exhibition & Convention Center, Hochiminh City

Website: <http://ictcomm.vn/>

Vietnam Industrial and Manufacturing Fair 2017

Time: 07-09 June 2017

Venue: Binh Duong Convention and Exhibition Center

Website: <http://vietnamindustrialfiesta.com>

Vietnam Autoexpo 2017

Time: 07-10 June 2017

Venue: ICE- Int'l Center for Exhibition, Hanoi

Website: <http://www.vietnam-autoexpo.com/>

Paper Vietnam 2017

Time: 13-15 June 2017

Venue: Saigon Exhibition & Convention Center, Hochiminh City

Website: <http://www.pct-vn.com/>

Coatings Vietnam 2017

Time: 13-15 June 2017

Venue: Saigon Exhibition & Convention Center, Hochiminh City

Website: <http://www.coatings-vietnam.com/>

Rubber and Tyre Vietnam 2017

Time: 13-15 June 2017

Venue: Saigon Exhibition & Convention Center, Hochiminh City

Website: <http://www.rubber-tyre.com.vn/>

Cover photo: by Tuyet Trang

CONTACT US

Mrs. Tran Thi Hien | Economic and Commercial Attache

Brussels invest & export Vietnam | Royal Embassy of Belgium

9th fl, Hanoi Tower, 49 Hai Ba Trung, Hanoi, Vietnam

T: 84-4-3 934 61 82 | F: 84-4-3 934 61 85

E: hanoi@sprb.brussels

W: www.brussels-in-vietnam.be

THANK YOU AND SEE YOU IN VIETNAM !