

NEWSLETTER FROM VIETNAM

June 2017



A corner of the Old Citadel- 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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Fairs and exhibitions in July-August 2017

- ✓ International Precision Engineering, Machine Tools and Metal Working
- ✓ International Footwear and Leather Products Exhibition
- ✓ Vietnam International Electrical Technology and Equipment Exhibition
- ✓ Vietnam Agritech Expo 2017
- ✓ Vietnam International Advertising Equipment and Technology Exhibition
- ✓ Vietfood & Beverage- Propak 2017
- ✓ Vietnam Medi- Pharm Expo 2017
- ✓ Securitech Vietnam
- ✓ Vietbeauty
- ✓ Homeland Security Expo, Vietnam
- ✓ Vietfish 2017

Notice of Telephone code change

A green future for Vietnam housing

The Vietnam Real Estate Association signed an MOU with property developers on 26 May to build green building in 2017-2022 period. Under the program, the developers are committed to developing green properties. The program will focus on 3 main tasks: completing a legal framework for green buildings, training in green building for real estate companies and increasing public awareness of the issue, thus

enhancing the popularity of green housing products. Capital House was the first developer to support the program with a contribution of US\$ 1 mil. The company will also focus on researching and designing solutions to save energy and using environment-friendly building materials. Other property developers such as FLC Group, Vigracera, CEO Group, Alphanam, Phuc Khang and West Lake International Tower Company have also joined the program. *(Vietnam News, 02/06/2017)*

Government pledges high investment to attain GDP growth target

The Government has set a ratio of investment in the economy at a record high of 34-35% of GDP, a move which aimed at realizing the GDP growth target of 6.7% this year. The 2017 GDP is estimated to be around US\$220 bil, therefore, the total investment in the economy will be equivalent to VND 1,750 tril or a proportion of 34.9% of GDP. This is the highest ratio in recent years. *(Saigon Times Daily, 05/06/2017)*

Vietnam Business Forum pushes bankable solar PPA

A consortium of international chambers of commerce have made a recommendation of the Ministry of Industry and Trade to revise its draft circular guiding solar power purchase agreements, and to adopt an international standard, bankable power purchase agreement template to attract projects to Vietnam. *(Vietnam Investment Review, 12-18/06/2017)*

Many power companies to go public

Many electricity companies and projects invested by EVN will be privatized, as the State will maintain majority stakes in certain primary businesses in the sector, according to a master plan for restructuring enterprises of the group in 2017-2020. National Power Transmission Corporation, Northern, Central, Southern, Hanoi and HCMC Power Corporation and National Load Dispatch Center remain wholly owned by the group, however. *(Saigon Times Daily, 19/06/2017)*

Pharma FIEs allowed to trade

8 years after the phase in schedule for the relevant WTO commitments, Vietnam is, for the first time, setting forth a legal frame work for foreign invested enterprises to trade in pharmaceuticals and pharmaceutical ingredients to fulfill its WTO commitments. With the long-awaited Pharmaceutical Law having taken effect in January 2017, and its implementation under Decree No.54/2017/ND-CP taking effect on July 1,2017, FIEs will be able to exercise their import rights. More details can be sent at request. *(Vietnam Investment Review, 19-25/06/2017)*

Local, foreign firms plan online retail investments

A recent Nielsen market research showed that Vietnam is one of the world's most dynamic countries in hi-tech application and use, including on-line shopping. The country's e-commerce revenues reached

US\$ 4 bil in 2016. At the current growth rate, it is set to hit US\$ 10 bil in 2020, accounting for 50% of the total retail sales in Vietnam. *(Vietnam News, 20/06/2017)*

More than US\$ 25 mil for flood prevention projects

The province of Khanh Hoa plans to spend more than US\$ 25.52mil on 60 infrastructure projects to prevent flooding, river erosion and saltwater intrusion in 2017-2018. The investment includes more than US\$ 15.84 mil sourced from state budget while the province and its districts will invest US\$ 4.35 mil and US\$ 5 mil respectively. *(Vietnam News, 20/06/2017)*

Foreign firms eye VN cosmetics

Vietnam's cosmetics industry, where imports make up 90% of sales, saw a revenue estimated at US\$ 1.2 bil last year. 14 domestic cosmetics firms are confined to the low-end segment and mainly export to neighbouring Asian markets. Around 90% of cosmetic firms are distribution agents for foreign cosmetic brands. The demand for beauty products in Vietnam is still modest, with per capita spending being US\$ 6 a year on cosmetics compared with US\$ 20 in Thailand. But with increasing disposable incomes, rising living standards and a young population, demand is rising. Vietnam's beauty industry is even more attractive because the country has signed a series of free trade agreements under which import duties on beauty care goods would fall to 0-5%. Vietnam imported cosmetics worth US\$ 1.1 bil last year, more than double the US\$ 500 mil in 2011. *(Vietnam News, 20/06/2017)*

Vingroup ventures into public transit sector

Vingroup has signed an MOU developing a metro line in Hanoi with total capital of US\$ 4.4 bil. If the project translates into reality, Vingroup would become the first private firm in the nation to get involved in the development of a metro line. *(Saigon Times Daily, 27/06/2017)*

Vingroup to hire consultant for slum clearance in District 8

The HCMC government has given permission to Vietnamese real estate giant Vingroup to hire international consultants for making 1/2000 scale urban planning designs for the southern bank of the Doi Canal in District 8 which is currently home to thousands of slums. *(Vietnam News, 28/06/2017)*

Vinamilk to build hi-tech dairy farms in Hanoi

Vinamilk CEO has signed an MOU with Hanoi city to develop 3 hi-tech dairy farms in Hanoi. The 3 farms will be located in Ba Vi, around 70 km northwest of central Hanoi, and have a total herd of 8,000 cows on 800 ha. The project will cost about US\$ 61.6 mil and be implemented from 2017-2019. *(Vietnam News, 28/06/2017)*

HCMC needs huge capital for transport and environment projects

HCMC is calling for stronger private investment in transport and environment protection projects as the city can arrange only 20% of total financing on 2016-2020 period which is estimated to amount to US\$ 37.5 bil. For public transport system: 8 metro lines, 6 bus rapid transit roads, elevated roads, airports and seaport infrastructure. Environment projects: flood control, wastewater and garbage treatment, rehabilitation of major canals. For Thu Thiem New Urban area: 4 bridges connecting Thu Thiem and the city centre, dig a lake and dredge canals for the northern residential area and complete a N-S road. *(Saigon Times Daily, 28/06/2017)*

Railway incentives to lure capital

Vietnam will offer a number of specific incentives for railway business and investment activities (railway infrastructure and metro lines). Besides incentives such as land use fee exemptions, government guarantees for loans, corporate income tax reductions, import duty exemptions, business will also be exempted from the import duty for machines, equipment, spare parts, means of railway transport and manufacturing materials that local production sources fail to provide. *(Vietnam Investment Review, 26/06-02/07/2017)*

In energy policy, the EU proves a seasoned ally

Ambassador Bruno Angelet, head of the EU Delegation to Vietnam

“Our energy program with Vietnam is our biggest outside Europe, allocating EUR 350 mil in grants- not loans- until 2020. First, we support the government in bringing electricity to Vietnam’s poorest and most remote regions. Simultaneously, we explore through the Energy Partnership Dialogue with the government how to design options for increased energy efficiency, energy mix and renewable energy. In addition, the EU will also provide adhoc expertise on regulatory issues, co-fund pilot projects and support local initiatives. *(Vietnam Investment Review, 26/06-02/07/2017)*

More pharma firms remove FOL

With the growing movement to scrap foreign ownership limits (FOL) in Vietnam’s biggest pharma firms, multinational corporations are venturing further into this growing market. 22 global members of Pharma Group – a Sector Committee under Eurocham are interested in local market, which BMI Research forecasts will increase from US\$ 4.2 bil in 2015 to US\$ 7.2 bil by 2020, then maintain double digit annual growth through 2025. *(Vietnam Investment Review, 26/06-02/07/2017)*

EXCHANGE RATE

1US\$ = 22,446.9 VND

1EUR = 25,610.4 VND (Oanda on 30/06/2017)

FAIRS AND EXHIBITIONS

International Precision Engineering, Machine Tools and Metal Working

Time: 04-07 July 2017

Venue: Saigon Exhibition and Convention Center-SECC

Website: <http://www.mtavietnam.com/>

International Footwear and Leather Products Exhibition

Time: 12-14 July 2017

Venue: Saigon Exhibition and Convention Center-SECC

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

Vietnam International Electrical Technology and Equipment Exhibition

Time: 19-22 July 2017

Venue: Saigon Exhibition and Convention Center-SECC

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

Vietnam Agritech Expo 2017

Time: 26-28 July 2017

Venue: Saigon Exhibition and Convention Center-SECC

Website: <http://vietnamfarmexpo.com>

Vietnam International Advertising Equipment and Technology Exhibition

Time: 03-06 August 2017

Venue: Phu Tho Indoor Sports Stadium

Website: <http://www.vietad.com.vn>

Vietfood & Beverage- Propak 2017

Time: 09-12 August 2017

Venue: Saigon Exhibition and Convention Center-SECC

Website: <http://hcm.foodexvietnam.com/en>

Vietnam Medi- Pharm Expo 2017

Time: 17-19 August 2017

Venue: Saigon Exhibition and Convention Center-SECC

Website: <http://hcm.medipharmexpo.com/>

Securitech Vietnam

Time: 16-18 August 2017

Venue: Saigon Exhibition and Convention Center-SECC

Website: www.securitechvietnam.com

Vietbeauty

Time: 23-25 August 2017

Venue: Saigon Exhibition and Convention Center-SECC

Website: <http://www.vietbeautyshow.com/en-us/>

Homeland Security Expo, Vietnam

Time: 29-30 August 2017

Venue: International Center for Exhibition (ICE Hanoi)

Website: <http://homesecexpo.com/>

Vietfish 2017

Time: 29-31 August 2017

Venue: Saigon Exhibition and Convention Center-SECC

Website: <http://www.en.vietfish.com.vn/>

Cover photo: by Tuan Anh

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THANK YOU AND SEE YOU IN VIETNAM !

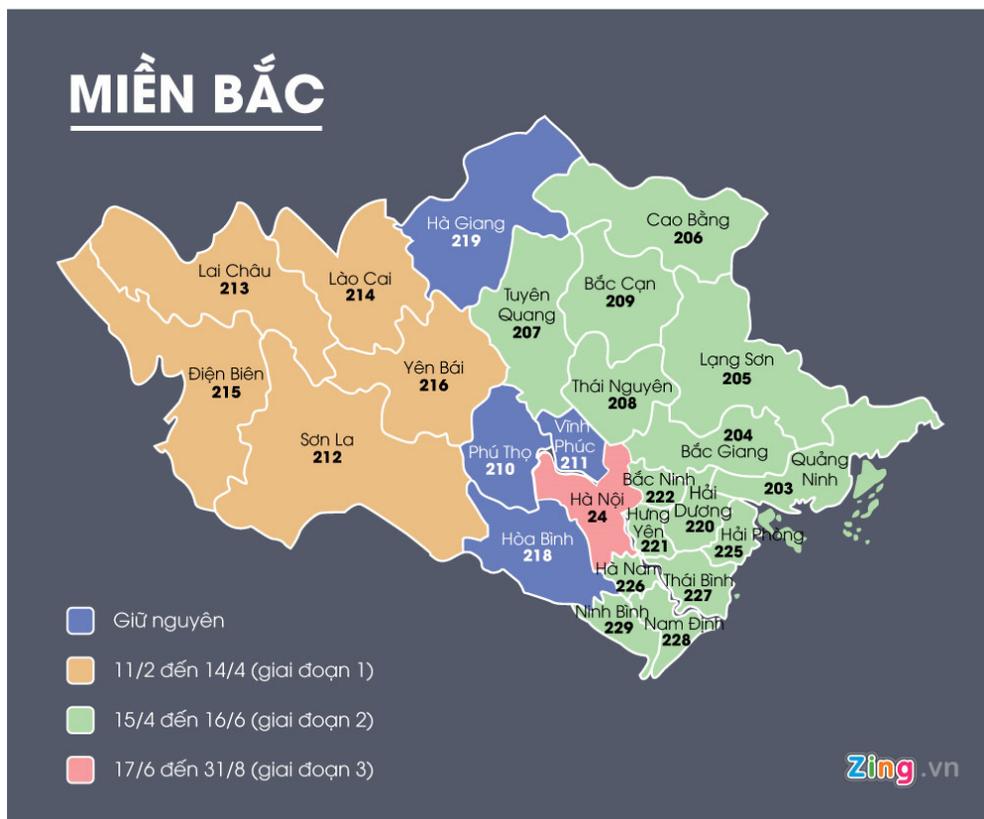
NOTICE OF TELEPHONE CODE CHANGE

A partir du 17/06/2017: pour appeler à Hanoi, il faut composer 024 au lieu de 04. Pour HCMV 028 au lieu de 08. Le changement de code est en cours ou a été accompli, étape par étape dans presque tout le pays (voir ci-dessous)

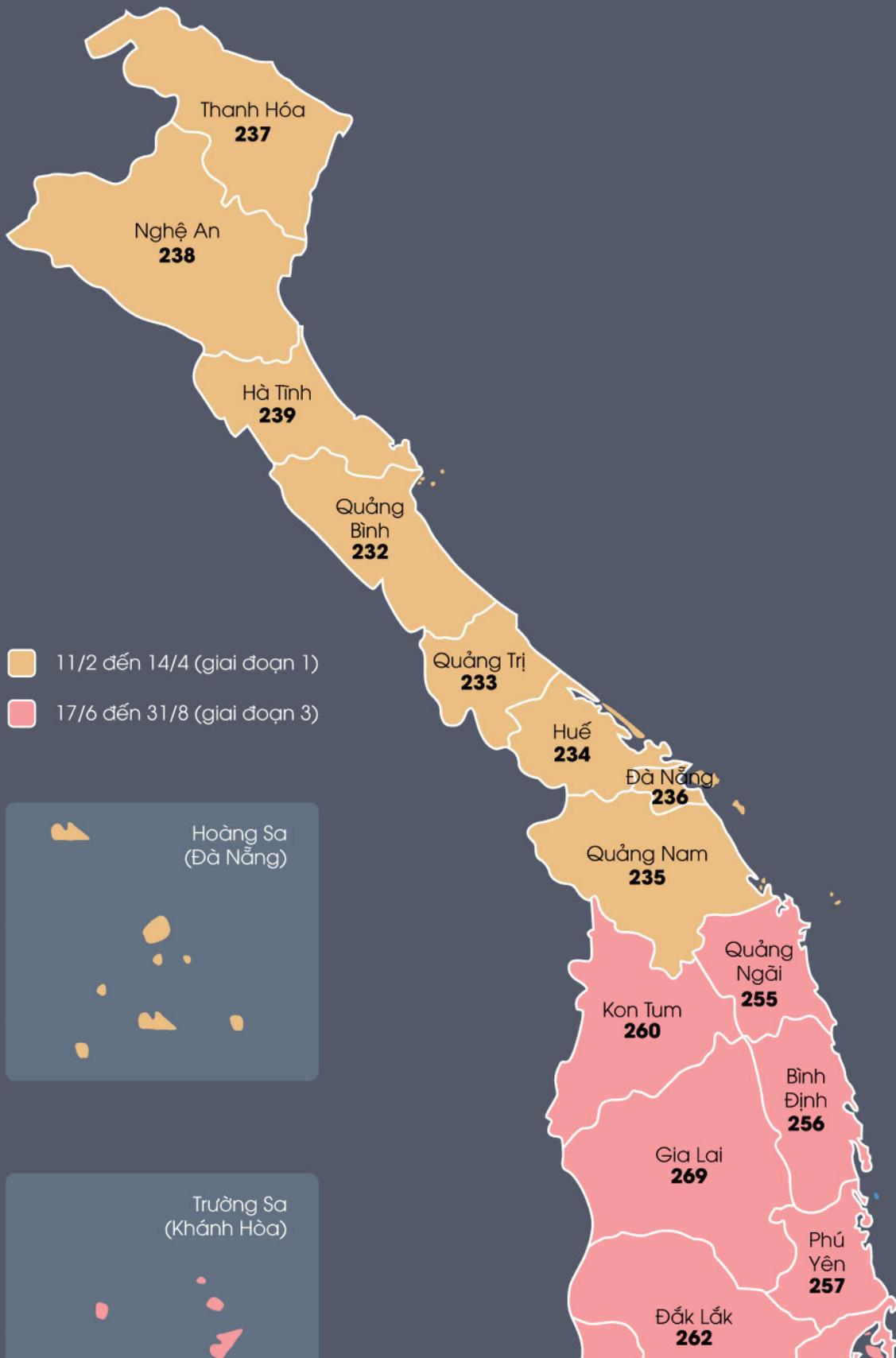
Les localités en rose (comme Hanoi, HCMV) sont dans la dernière étape.

Les localités jaune : le changement a été fait.

Les localités en vert : le changement est en cours.



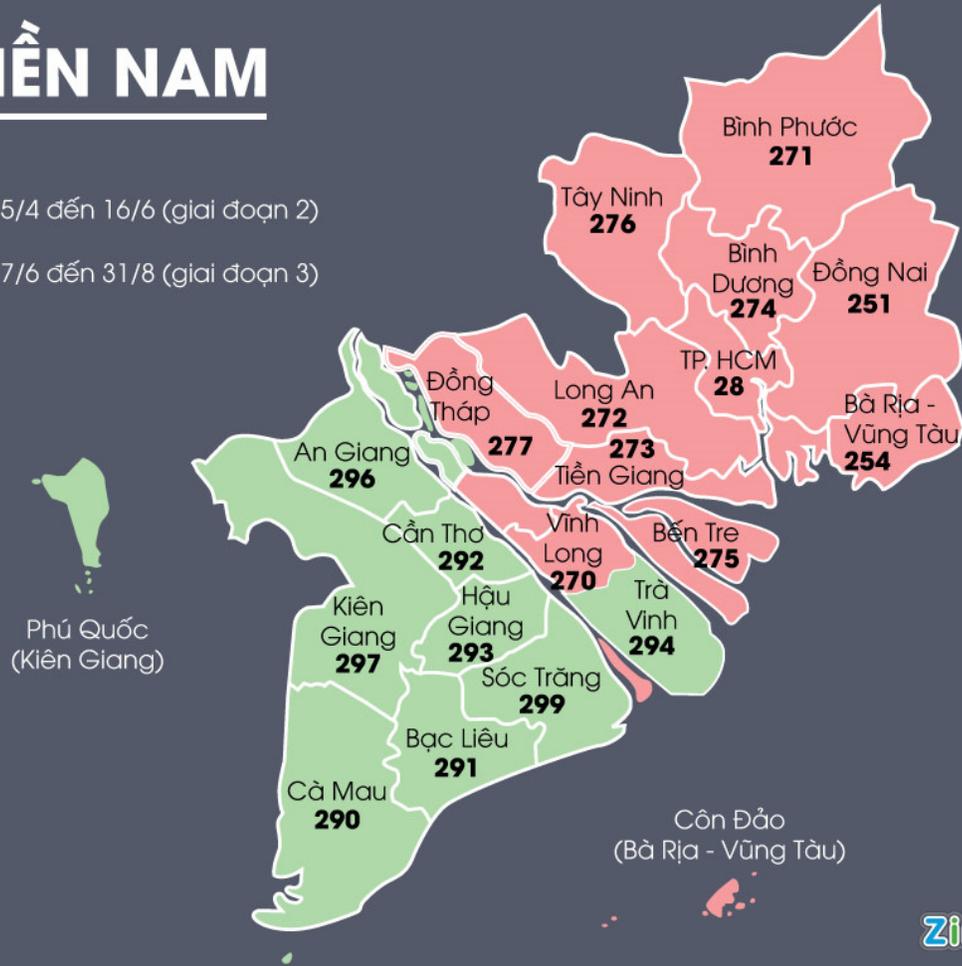
MIỀN TRUNG



MIỀN NAM

15/4 đến 16/6 (giai đoạn 2)

17/6 đến 31/8 (giai đoạn 3)



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