

NEWSLETTER FROM VIETNAM

March 2016



Condolence from Hanoi to Brussels

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.

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Vietnamese people spend US\$1bil a year for medical treatment abroad.

As reported in the Eurocham Whitebook 2016 launched on March 2 in Hanoi, about 40,000 Vietnamese people go abroad for medical treatment in 2015. Chairman of European Pharmaceutical group said if the government doesn't improve quality of healthcare services, each year Vietnam loses USD1bil to foreign countries. The problems of Vietnam's healthcare include: overloading hospitals leading to the fact the patients are not well taken care of; medical equipment and facilities are old and need to be replaced. The Government is fumbling in finding a solution to ensure the balance of good quality and reasonable price. *(Laodong, 04/03/2016)*

Prime Minister agrees to establish software city chain.

The Prime Minister has given the green light to the pilot establishment of the Quang Trung Software City (QTSC) Chain. The chain includes two initial members, including the QTSC and the Ho Chi Minh City-based National University's IT Park which will join hands in building comprehensive infrastructure, raising investment attraction capacity and boosting the development of the IT sector. *(VNA, 04/03/2016)*

Vietnam airlines shake hands with local bank to form new carrier.

Vietnam's national airline and Techcombank have decided to establish a new carrier based on a current aviation firm. Accordingly, a joint stock airline will be formed by restructuring Vietnam Air Services Company (Vasco) based in Ho Chi Minh city. The new carrier will be operated on a charter capital of at least US\$13.45 mil. The airline is expected to have 10 aircraft. The flag carrier will hold 51 percent of the charter capital in the form of Vasco's properties while the lender will own the rest in cash. *(Tuoitre, 08/03/2016)*

HCM City to build observation stations.

HCM City plans to build 27 automatic and 227 semiautomatic observation stations over the next 5 years to check on water surface, underground water and air pollution. Total funds needed will be US\$22.2mil. HCM City is among the top 10 cities worldwide worst affected by air pollution. (*Vietnam Net, 10/03/2016*)

Vietnam's public debt rises to 62% of GDP, large bond sale planned.

Vietnam's public debt is inching up closer to safety limits after its gross domestic product is revised down slightly in an unexpected move. With the GDP revision, Vietnam's public debt has now risen by 0.9 percentage point to 62.2 percent of GDP, while foreign debt is now equivalent to 43.1 percent of GDP, up 1.6 points. Regardless of the rises, both numbers are still within safety limits set by the National Assembly, 65 and 50 percent respectively. The government's debt, which does not include loans taken out by the central bank and state-owned enterprises, has exceeded the 50% threshold, standing at 50.3% of GDP, compared to 48.9% earlier. Although the sustainability of public debt has long remained a concern, the government plans to seek the National Assembly's permission to issue VND200 trillion (\$8.85 billion) worth of sovereign bonds in 2017-20. (*Thanh Nien, 10/03/2016*)

Revised power development plan approved.

The Prime Minister has approved a revised Power Development Plan for the period of 2011-2020 with the vision to 2030. The plan's objective are to sufficiently meet the domestic demand and to obtain the country's socio-economic development goals with an average GDP growth rate of 7%/year in the period of 2016-2030. Accordingly, the country should speed up the development of power from renewable energies (i.e. hydro power, wind power, solar power and biomass power etc.) and gradually increase the portion of power generated from renewable energies in the power structure. Concretely, the country will prioritize developing hydro power especially those projects which bring collective benefits such as flood control, water supply and power generation. (*VNA, 18/03/2016*)

Five Vietnamese enterprises among top fastest growing companies in Asia.

Vietcombank, FPT, PetroVietnam GAS, Vinamilk and Vingroup - remain listed among the 300 fastest-growing companies in Asia (Asia300), Nikkei has announced. The Asia300 is Nikkei's exclusive list of the continent's biggest and fastest-growing companies from 11 different economies. This year, Nikkei listed 83 companies from China (same as last year), and 44, 42 and 40 from India, the Republic of Korea and Taiwan (China) respectively. From Southeast Asia, Singapore, Thailand and Indonesia have 25 listed companies each while Malaysia and the Philippines have 22 and 20 respectively. (*Nhandan/ Vietnamnet, 18/03/2016*)

Agriculture Ministry asks for international help to combat drought.

Speaking at a seminar held on March 15 with foreign donors in response to droughts and saltwater intrusion in the southern part of the central region, the central highlands and the Mekong Delta, Minister of Agriculture and Rural Development said this year rice production in the Mekong Delta would seriously decline, affecting millions of farmers. We have done everything that we can do, but the situation is very serious, we look forward to the support from the international community. (*Vietnam Net, 18/03/2016*)

ODA management and use tightened.

The Government has released a new decree to amend Decree No. 38/2013/ND-CP, dated April 23, 2013 on management and use of official development assistance. Under the newly-approved decree, ODA capital and preferential loans are given to projects on socio-economic infrastructure; socio-economic policy making and empowerment of State management institutions; manpower development; scientific and technological development; environmental protection; climate change response; green growth; PPP projects; and others in accordance with the PM's decisions. (*Government News, 22/03/2016*)

Vietnam among top 10 cheapest countries to travel in 2016.

Vietnam has been named in top 10 cheapest countries to travel in 2016 by the Richest, a leading entertainment and lifestyle website. (*Voice of Vietnam, 22/03/2016*)

Europe imports most phones and electronics from Vietnam.

The EU was the largest phone and accessories importer from Vietnam in the first two months of the year, according to Vietnam Customs. It imported \$1.51 billion worth of such goods, a 10.8 per cent increase year-on-year and accounting for 32.1 per cent of export turnover in phones and accessories. The UAE was the second largest importer, with \$639 million, or 5.1 per cent lower year-on year. (*VN Economic Times, 28/03/2016*)

Ho Chi Minh city should become Shanghai modelled- special economic zone.

Ho Chi Minh city should become a national special economic zone similar to China's Shanghai through the use of special mechanisms, said Secretary of the municipal Party Committee Dinh La Thang at a meeting of the municipal party committee. Thang said that the southern metropolis was not living up to its potential, and lagging behind other regional cities in terms of economic development. HCM City is the country's economic hub, so it should be given with more authority to develop urban administration, not be subject to similar conditions like a small mountainous province. (*Dantri, 30/03/2016*)

Military-run airline to join Vietnam aviation market.

Vietnam's aviation market is set to welcome a newcomer, a military-run carrier that will have a fleet of freighters and passenger aircraft, the Ministry of Transport has said. Vietstar Airlines Multirole Corporation (Vietstar Airlines) will be the first airline of its kind in Vietnam to offer both passenger and specialized air freight services. The transport ministry has called on the government to grant a license for the multi-purpose airline to start operations. Vietstar Airlines is on track to meet the minimum charter capital requirements of US\$35.71 mil. Vietstar Airlines is the business arm of the Air Defense-Air Force of Vietnam, a Ministry of Defense service that assumes responsibility of both the national air defense and air forces. *(Tuoitre, VNA, Vietnamnet, 30/03/2016)*

EXCHANGE RATE

1US\$ = 22,325.00 VND

1EUR = 24,425.18 VND *(Vietcombank rates on 31/03/2016)*

FAIRS AND EXHIBITIONS

Vietnam EcoTech- International Exhibition on Ecological Technology in Vietnam 2016

Time: 05-07 May 2016

Venue: Saigon Exhibition & Convention Center, 799 Nguyen Van Linh, D.7, HCMC

Website: www.ecotechvietnam.com

Vietnam Medi-pharm 2016

Time: 11-14 May 2016

Venue: Friendship Cultural Palace, 91 Tran Hung Dao Str, Hanoi

Website: www.vietnammedipharm.vn

Vietnam International Cafe Show 2016

Time: 12-14 May 2016

Venue: Saigon Exhibition & Convention Center, 799 Nguyen Van Linh, D.7, HCMC

Website: www.cafeshow.com.vn

Broadcast & AV Show 2016

Time: 12-14 May 2016

Venue: Saigon Exhibition & Convention Center, 799 Nguyen Van Linh, D.7, HCMC

Website: www.vibashow.com

Vietnam International Photo & Imaging Show

Time: 12-14 May 2016

Venue: Saigon Exhibition & Convention Center, 799 Nguyen Van Linh, D.7, HCMC

Website: www.vipishow.com.vn

Banking Vietnam 2016

Time: 18-19 May 2016

Venue: Melia Hanoi Hotel, 44 Ly Thuong Kiet, Hoan Kiem, Hanoi

Website: www.banking.org.vn

Food Ingredients Vietnam 2016

Time: 18-20 May 2016

Venue: Saigon Exhibition & Convention Center, 799 Nguyen Van Linh, D.7, HCMC

Website: www.fi-vietnam.net

Saigon Autotech & Accessories 2016

Time: 26-29 May 2016

Venue: Saigon Exhibition & Convention Center, 799 Nguyen Van Linh, D.7, HCMC

Website: www.vnautoexpo.com

Cover photo: by Tuan Tran

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THANK YOU AND SEE YOU IN VIETNAM !