

Japanese activist shares green-living dreams with Saigon youth



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Tightens rules on radioactive devices

A report in April from local Science and Technology Departments showed that there are approximately 1,920 radioactive sources across 170 facilities in Hanoi and 1,200 in HCM City. Recently, a number of cases involving missing radioactive devices have raised the alarm about the country's lax security practices and the absence of effective mechanisms to control and monitor the use of radioactive devices.

For example, in April this year, 45 kilogrammes of radioactive material went missing from the Pomina steel mill in Ba Ria-Vung Tau province. Despite days of extensive search efforts, it was never recovered. Or in September last year, the HCM City Apave Asia-Pacific Company reported that it had lost track of a

radioactive device, which was later recovered after a four-day search. So, Prime Minister Nguyen Tan Dung has approved Decree 17/CT-TTg on increased security measures to manage and control radioactive devices in the country. The decree, approved on July 10, pointed out many shortcomings and limitations within the current system, which led to numerous cases of radioactive devices and equipment going missing in recent years. The PM ordered the Ministry of Science and Technology (MoST), in collaboration with Government agencies and local authorities, to perform a comprehensive review of the country's current regulations and security protocols on the control of radioactive devices. This inspections must to be carried out on the use of radioactive devices and their storage facilities across the country.

The MoST is in charged with the task of organising and providing training sessions on radiation safety and security, establishing a database of the country's radioactive devices and a security system to monitor them. The ministry is to submit annual reports to the PM on the country's security and management of radioactive devices.

Besides, the Ministry of Public Security to tighten control on the illegal sale and application of radioactive devices, build and improve emergency protocols in case of missing radioactive devices and step up cooperation with international security agencies. The Ministry of Defence, border guards and the General Department of Custom should remain vigilant and intensify inspections and patrols to detect and prevent cross-border trafficking of radioactive devices.

[Following TalkVN]



Local telecom giants take competition into non-core areas

Vietnam Post and Telecommunications Group (VNPT), which already has an advantage as a telecom, information and technology provider, soon noticed the saturation of mobile phone market. So, strengthen promotion to invest in non-core areas seems to become a trend that local telecom giants are following.

VNPT and the Ministry of Health signed a co-operative agreement in 2009. VNPT would provide the Ministry of Health a high-speed transmission line to serve national key projects and remote health consultants, examinations and treatment (Telemedicine), public internet, administrative reforms, business and online licencing, also some services through internet infrastructure such as Video Conference and MEGA VNN for hospitals and medical schools across the country.

In 2012, the corporation and the Ministry of Health signed another comprehensive co-operative agreement, which aimed to uphold results achieved in 2009. Viettel Telecoms Corporation, which has more than 54 million mobile phone subscribers, also provides services in the health sector.

Viettel and Viet Nam Social Insurance built a system serving assessment and health insurance payments in December 2014. Apart from the health sector, Viettel also joined hands with the electricity sector in collecting electricity meter data based on telecom infrastructure. Viettel's 3G/GPRS modems have electronic meters that read data online in 24 hours and transmit it to host computers. The service is being piloted in Ha Noi and HCM City, but is expected to be used nationwide soon. Viettel also provided e-Manifest, a system that raises efficiency by conveying

freight information to customs officials before shipments arrive at the border.

Also, MobiFone and the Viet Nam National Administration of Tourism (VNAT) launched the tourism website Halo Vietnam (www.halovietnam.vn). With the portal, the companies will support each other in their efforts to boost tourism and customer service in Viet Nam. It will allow visitors to assess tourism destinations and give feedback on Viet Nam's tourism environment in order to improve the two companies' service quality. Customers will be able to book and register tourism services online through Halo Vietnam soon.

It's said that the battle among local telecommunications providers has gone beyond telecom services and expanded to non-core businesses such as medicine, tourism and electricity.. and perhaps continuing to expand many other area in the future.

[Following Vietstock]



Manufacturing expo draws in int'l firms

The 13th International precision engineering, machine tools and metalworking exhibition (MTA Vietnam 2015) opened 7 July in HCM City. Launched in 2005, MTA Viet Nam is the manufacturing event in the country that attracts the largest number of international pavilions.

This year it sees a 9 per cent increase in exhibition space from last year with 346 exhibitors from 20 countries and regions, including 10 group pavilions from Germany, Japan, Korea, Singapore, and Taiwan are present.

This time, a contingent of 22 companies from Japan that specialise in metal cutting, metal forming, metrology, cutting tools, and tooling systems are showcasing

machines and solutions specially handpicked for the Vietnamese market to boost productivity and quality.



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With its advantageous location in Indochina, a young population and low costs, Viet Nam has also attracted investment from renowned international brands like Intel, LG Electronics, Samsung Electronics, and Siemens. This bodes well for foreign firms and investors keen to expand their presence in Viet Nam as well as for Vietnamese companies looking to expand their business internationally.

The Integrated Circuit Design Research and Education Centre (ICDREC) announced on July 9 that it had produced the JPEG 2000 compression IP core.

JPEG is an international standard for compression of images that is used in various fields, such as the health



Viet Nam produces image compression core

sector and geodetic surveying. It is also used in devices such as high-quality monitoring cameras.

The creation of the IP core would enable the Centre to own the JPEG 2000 image compression technology. The made-in-Viet Nam IP core allows devices to compress 16-bit greyscale images and still images composed of 16 million pixels. It can also compress high-definition motion pictures at a speed of 24 frames per second.

In time, the Centre will research and produce image processors that can be used in products and services requiring high-resolution and greyscale images.

Bank lift lending ceiling

The State Bank of Viet Nam (SBV) has allowed some lenders to raise their credit growth ceiling this year in a move to boost economic growth. Accordingly, the lending ceiling of Vietcombank and Vietin-Bank has been raised to 16 per cent, while the figure for SeaBank and TPBank is 35 per cent. The ceiling of Tech-combank and LienViet-PostBank was lifted to 30 per cent. The new credit ceilings of VPBank, Nam A Bank, SHB and VIB are 18 per cent, 25 per cent, 15 per cent and 20 per cent, respectively. The figure for BaoVietBank is 36 per cent.

Besides, the central bank also adjusted the lending ceilings at the branches of some foreign banks. The ceiling for Standard Chartered Viet Nam is now 30 per cent, while for Korea Exchange Bank's Ha Noi

branch it is 35 per cent. The ceiling for Taipei Fubon's Binh Duong branch is 24 per cent.

Earlier this year, the central bank set lower credit growth ceilings for the banks mentioned. The central bank had also fixed the maximum limit for outstanding loans for some banks this year. The limit for Kookmin's HCM City was VND1.95 trillion (US\$89.86 million), and for Woori's HCM City branch it was VND3.99 trillion (\$183.87 million). The figure for Industrial and Commercial Bank of China's Ha Noi branch was VND4.485 trillion (\$206.68 million), and for PNP Paribas's HCM City branch it was VND5 trillion (\$230.41 million), while for Citibank, NA's HCM City branch it was set at VND2.79 trillion (\$128.57 million).

The central bank has also directed lenders to draw up credit-risk management measures and pledge to implement them to better control bad debts. The measures must be submitted to the bank before July 31.

The lenders are also required to ensure that the credit system is focused on production and trading, especially in agriculture and rural industries, exports and supporting industries, small- and medium-sized firms, and high-tech firms. In addition, the lenders have to closely supervise lending to risky sectors, such as real estate and those that take a long time for capital retrieval.

As the country's credit growth rose nearly 6 per cent in the first half of the year against December last year and this is the fourth year that the central bank has fixed a credit growth ceiling for each bank.



Finances, incentives lacking for social housing

Since the Government introduced a policy to build cheap apartments for low-income earners, only 40,000 (mostly small) have been built so far, housing about 200,000 people. Low-income housing projects have lagged far behind demand because the State lacked funds and the private sector needed more investment incentives.

It's said that building "social housing" required a lot of money, but the State Budget was limited. But this is only one of several reasons that accounts for the sluggish pace of "social housing"

projects. "Social housing" refers to apartments for people covered by the State's social welfare policies, including low-income households, people who have made meritorious services to the nation, and people in several disadvantageous situations. Another reason was that private developers were not interested in such housing projects because the return on investment was low, given their cheap selling prices and relatively high construction quality.

After 2011-2013 freeze in the property market, the Government had to intervene by "restructuring the (property) market" and

projects", diverting development projects away from low demand (high-end or luxury buildings) segments to those with higher needs, like housing for low-income people. These measures have had a positive impact as the property market has warmed up.

Currently, Government is creating favourable conditions to develop this sector meant providing ready-to-build land for builders, creating a legal framework that helps construction companies (simpler paperwork for recruiting labour to work on construction sites) and providing access to cheap loans for firms interested in building low-income housing. However, the attraction the private sector to invest this segment is still a difficult problem have no detailed answer.

[R&C Dept.]



Phu My 3 Industrial Zone

-Potential Destination for Japanese Investors

Located on Tan Thanh district, Ba Ria – Vung Tau province, Phu My 3 Industrial Zone (Phu My 3 IZ) is specially developed for the Japanese investors. With the big advantages on geographical location, traffic connection, synchronized infrastructure combining with full range of utility services and preferential policies granted by government for foreign investors, Phu My 3 IZ is a potential industrial park to attract investors in near future, especially it is a huge opportunity to attract the Japanese investors as it is the commitment of Ba Ria – Vung Tau province.

Advantages to attract investors

Phu My 3 IZ has been recognized as specialized Industrial Zone of Ba Ria-Vung Tau province. This is the IZ that Thanh Binh Phu My Company is the project investor; with the total area of 999ha, Phu My 3 IZ includes 4 main fields: heavy industries, supporting industries and multi-sectoral industries, deep-water ports and logistics, utility services. The IZ is supported and designed by international companies: Nikken Sekkei Civil Engineering (Japan) consults and designs infrastructure, Nippon Koei designs the detailed

technical infrastructure master plan in order to develop Phu My 3 IZ integrity infrastructure to meet the international standard.

With having large area of 999 hectares, Phu My 3 IZ is able to fully satisfy demands of many different industrial fields from heavy industries to light industries including: petrochemical, basic material, chemical, metallic, support industries, plating, automotive, hi-tech, logistics, etc.

The biggest advantage of Phu My 3 IZ is that it is located close to the Cai Mep – Thi Vai international deep-water ports (distance of 4 km), therefore it can receive the large container vessels (60,000 – 80,000 tonnes) directly from America and Europe. Another advantage of Phu My 3 IZ is that natural gas can be supplied directly from the natural gas pipeline (condensate – LPG) to the zone thanks to its geographic location. Phu My 3 also gets strongly stable power supply (4,100MW power plants for PM3), at the same time, Phu My 3 invested to build underground electrical cables system to guarantee the stability of electrical supplying even in the power maintaining periods. Phu My 3 has a water supply system that it can

supply 50,000 m³/day constantly from the lake on mountain (volume 200 mil. m³) and Phu My 3 can treat waste water with Class A standard waste water treatment system (KOBELCO design & management). Further than that, Phu My 3 also provides full range of utility services such as high quality telecommunication system with optical fiber network throughout the whole IZ, warehouse and logistic system, and administrative services centre ranging from office leasing, legal support, on-site custom, etc. and more importantly, Phu My 3 is at a special location, where it connects to the core traffic route: National Road 51, which has distance of 500m from Phu My 3 IZ; high way Ho Chi Minh City – Long Thanh – Dau Giay (distance of 25km). Phu My 3's location is also near to ring roads Phuoc Hoa Cai Mep and 991B, which it can help to connect to economic centres of the South Vietnam such as Dong Nai, Ho Chi Minh City.

It's considered as a perfectly creation to bring opportunities for investors based on the differentiation and cost-saving optimization. With the great already-have advantages

INVESTMENTS

of Phu My 3 such as: deep-water port connection to the world , water supply system, LPG/condensate pipeline, natural gas pipeline, and the location close to natural resources: oil, natural gas, raw material, steel, granite, rubber.

Preferential policies

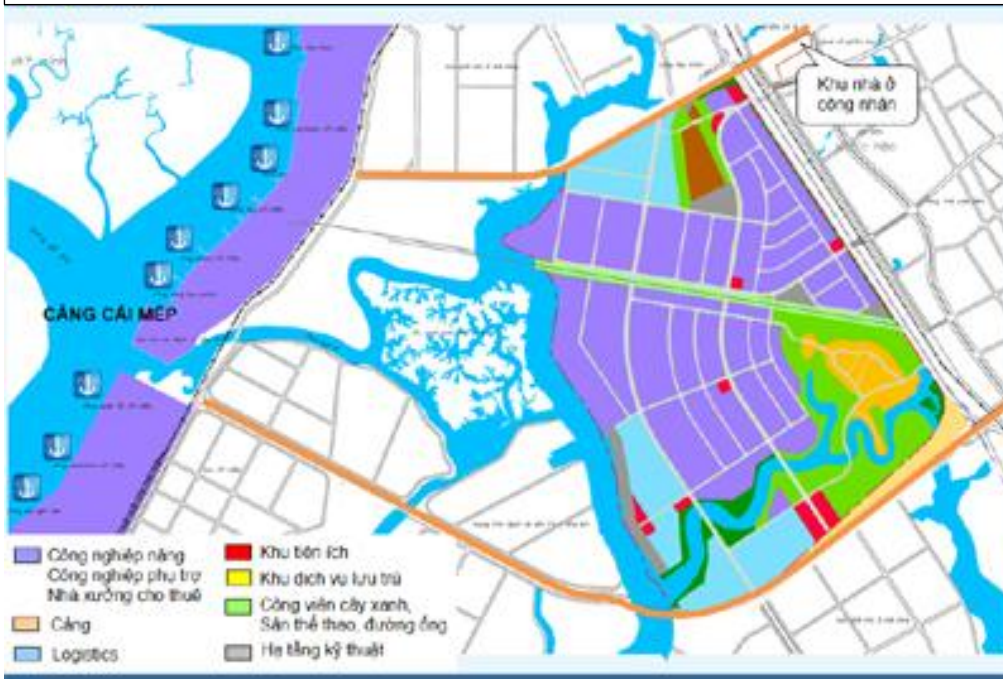
Phu My 3 Industrial Zone has been recognized as a specialized industrial zone, so Phu My 3 will apply the extremely preferential policies for invested enterprises, especially enterprises come from Japan. Specifically, the enterprises will received tax incentive policies when they invested in Phu My 3, the corporate income tax rate (CIT) at 17 percent will be applied for the

first 10 years starting from the first day of commercial operation: CIT will be fully exempted for 2 years since the enterprises make the first profit, the enterprises will be charged at 50 percent of the applicable rate in the next follow 4 years periods. Furthermore, the import tax will be also exempted the following merchandise is imported:

- Exempt for import merchandise and machine to build-up fixed asset
- Exempt for Import merchandise and machine for oil & gas industry
- Exempt for Import machine, which are not available domestically

On other hand, the managing director of Phu My 3 is the Japanese expert, who has extensive experience in managing industrial zone for many years, he will help Phu My 3 to meet high quality standard qualification combining with incentive policies for invested enterprises at the best. Phu My 3 also provides “one-stop services” including utility services on investment procedures, legal support, recruitment support, tax registration, custom clearance and administrative support to ensure that the invested enterprises focus fully on their business. By providing large area of land for leasing with attractive prices, it creates competitive advantages for the invested enterprises from saving cost perspective. Phu My 3 Industrial Zone has been recognized as a specialized industrial zone for Japanese investors in South Vietnam, therefore the leasing time would be up to 70 years instead of 50 years. Everything will be fully provided to create the optimal business environment for enterprises to develop, contributing the development of Ba Ria – Vung Tau in future.

Pic: planning of industrial zones



[Thanh Kiet]

Siam Commercial Bank to take-over its Vietnam-based JV Vinasiam Bank

Thailand's Siam Commercial Bank (SCB) will set up a wholly owned branch in Vietnam by taking over Vinasiam Bank – which is a joint venture between SCB, the Vietnam Bank for Agriculture and Rural Development (Agribank) and Thai conglomerate Charoen Pokphand Group.

Vinasiam Bank is an utterly weak bank in operation, which cannot assure the real value of regulated capital for a commercial bank. With the SCB acquiring Vinasiam Bank, a troubled lender in the local banking system will be dispatched. Vinasiam was granted license in 1995, in which Agribank, Vietnam's biggest bank in terms of assets,

has a 34 per cent stake, while the two Thai investors hold 33 per cent each. The bank has been reporting successive losses over the past three years, registering a maximum loss of \$7.14 million in 2014. Although Vinasiam raised its charter capital to \$161 million in 2011, its real value has fallen far below this figure, according to the Vietnam central bank.

SCB is not the only Thai bank that has shown interest in Vietnam. In March, Kasikorn Bank became the first Thai bank to open representative offices in the country. In addition, the Bangkok Bank has also established its branches in Vietnam.

A stable economic growth and increasing commercial integration has made Vietnam an attractive market to the overseas investors. In addition to opening representative offices, a number of foreign lenders are looking at acquisitions of local loss-making peers, in order to set up their 100 per cent owned branch network. Collectively, foreign banks have more than 50 representative offices and over 50 branches in Vietnam. This is apart from the presence of five wholly owned banks – Standard Charter Bank, HSBC, Shinhan Bank Vietnam, ANZ and Hong Leong Bank.



Vietnam's electronics industry booming with bright prospects, but changes needed

Vietnam was one of the fastest growing economies in Asia in 2014, and manufacturing has been the key driver, much of which can be attributed to the electronics industry, according to a recent report by Singapore-based DBS Bank Ltd.

The electronics cluster has grown rapidly in recent years, which has resulted in an expansion of 78 percent per year in exports for the past four years to reach US\$35 billion in 2014, DBS Bank said in "Sparking Life into the Vietnamese Electronics Sector," released on July 2.

By the end of last year, electronics shipments by Vietnam had accounted for 23 percent of all exports, up from only five percent four years earlier.

Meanwhile, the industry has become a key driver of the economy, making up 23.4 percent of GDP last year, up from just 5.2 percent in 2010.

Vietnam leapfrogs the Philippines, Thailand

Vietnam's electronics industry is quickly catching up with the regional powerhouses after a boom began post-2010 due to a confluence of factors, including the structural shift in regional

electronics supply chains, the report said.

The Southeast Asian country has captured market share from many of its regional peers following a process seen repeatedly in Asia: earlier players saw income and wages rise, opening the door for lower cost producers.

Faced with weak global demand and persistent cost pressure, many manufacturers were searching for cheaper locations from which to produce.

In addition, competition was intensifying, making the need to restructure the supply chain even more compelling.

Vietnam's pro-foreign direct investment policies, a weaker currency and competitive labor force all added more development fuel to the sector in subsequent years.

High-tech electronics producers are establishing a presence in Vietnam, evidenced by Intel, LG, Panasonic and Microsoft being among the global tech giants to have expanded in the country in recent years, marking a shift away from China.

In addition, beyond the cost advantage, geography also plays a role.

Given Vietnam's proximity to China, it is easier for the Southeast Asian country to integrate into existing supply chains.

Korean electronics giant Samsung announced late last year an investment of \$3 billion in a new smartphone factory, alongside its existing \$3 billion plant, located in the north of the country, which is close to China.

Moreover, a growing middle class supporting domestic demand has further strengthened Vietnam's overall attractiveness for global manufacturers.

Among the earnings of \$1 trillion in export revenue in 2014 of eight main Asian electronics exporters, including China, Taiwan, South Korea, Malaysia, Thailand, Singapore, the Philippine and Vietnam, the last country accounted for 3.5 percent of the total, up from a mere 0.4 percent in 2010.

Vietnam has leapfrogged the Philippines and Thailand, and will likely overtake Singapore to become the fifth largest electronics exporter in the region over the next two years, and this trend is likely to persist.

Same old weaknesses

After Samsung submitted a written proposal to Ho Chi Minh City

authorities seeking support in finding capable domestic suppliers in June, the authorities immediately reached out, only to find that very few local firms meet the demands of the South Korean electronics giant, government website chinhphu.vn reported.

The proposal was sent just a few days after the tech behemoth started constructing the Samsung Electronics Complex, with a total investment of \$1.4 billion, at the Saigon Hi-Tech Park (SHTP) in District 9 in late May.

Samsung said it wanted to find domestic suppliers to focus on certain sectors such as mechanical engineering, electricity, printed circuit board assembly, auxiliary materials and raw materials.

Nguyen Phuong Dong, deputy director of the Ho Chi Minh City

Department of Industry and Trade, after receiving the written proposal by Samsung, organized a meeting with potential suppliers in the city and formed a list of companies with the ability to provide on-demand products for the tech firm to consider.

However, Le Bich Loan, deputy head of the SHTP Management Board, said after several rounds of work, more than 100 companies was shortlisted by one-third.

And then the number of candidates who passed the prequalification round of Samsung was scaled down to only 15 companies, at which Samsung will conduct field surveys for a final decision.

Bright prospects, but drastic changes necessary

In the long term, as the government expects electronics

exports to reach \$40 billion by 2017, a modest growth rate of five percent per year would help achieve the target.

Nonetheless, the longer-term sustainability of the industry will depend on whether Vietnam can raise productivity and move up the value chain.

The influx of foreign electronics manufacturers has enabled the transfer of technology and skills. However, the country needs to develop its own talent and supplier pool to sustain the trend.

Otherwise, electronics will only migrate to other cheaper locations, like Indonesia, Cambodia, Laos and Myanmar, which can all offer competitive alternatives to global manufacturers once wages start to rise in Vietnam.

[Tuoitrenews]



Manage gold bars market: The highlight of the policy

The control of gold prices and gold market is an important result of the central bank to stabilize the financial system, thereby to macroeconomic stability. After 3 years of implementation of Decree 24/2012 / ND-CP on management of gold trading activities, up to this point, It has been able to summarize the major changes such as the decisive turning point for making the gold bar market in regulated operation, supporting the implementation of monetary policy and market stability.

Supporting macroeconomic stability

In terms of management, the central bank has set up a new business network for buying, selling gold bars in regulated management system. State Bank performed exclusively to import raw gold in the international markets and organized to produce gold bars tightly, controlled supply and demand of gold bars in the market. In first time, the macro regulatory role of the State Bank for the gold market to be implemented, in which the central bank was a buyer, sold lastly gold pieces; resolute the credit organizations to terminate the current activities and moved completely mobilized, gold loans in relation to the purchase and sale of gold.

Since early 2012, the volume of foreign currency which State Bank used to import gold also smaller many times than the amount of foreign currency spent to import in

the previous year and occupied the small proportion of the amount of foreign currency that State Bank has bought to increase reserves in recent years. And the scales of foreign exchange reserves do not stop growing. Compared with the start of the application of Decree 24, 2012, the State's foreign exchange reserve has increased several times.

Limiting risks for banking activities

Although the difference between the domestic price and the world gold price has been at high levels compared with the period before the promulgation of Decree No. 24/2012 / ND-CP was issued, gold bars market has stabilized, speculative activity was blocked, no scenes of people rushing to buy gold. Gold price fluctuate consistent with market supply and demand, not influenced by speculative factors.

The phenomenon of goldenization was controlled and reversed. The use of gold as a payment facility was basically ended. The purchase of gold by people was moving to gold jewelry products, used to be awarded on the occasion of wedding, birthday, the big day ...

Another problem, the main risk in mobilization and lending in gold's the price risk. When gold prices rise, liquidity will become difficult. Borrower is difficult to repay bank, while banks still have to pay for the gold senders. Besides, some of the credit organizations have

mobilization and lending in gold account. It made the flows of gold bars trading difficult to control and increase the higher risk when gold price was fluctuating. Bad debts from lending capital in gold sharply went up, especially those credit organizations who lending gold to real estate enterprises.

However, since the implementation of Decree 24/2012 / ND-CP, this situation has improved. First, in the technical side, gold was removed from the balance sheets of the credit institutions. Secondly, the risks relating gold as liquidity risk, risk of bad debts has been limited. Thirdly, the effect of policies to manage gold helped ensure the safety of the operation in the banking system, as well as the stability of the financial market.

The stability of the gold market directly contribute stabilize the currency market, has impacted back toward to operating process, the monetary policy of State Bank. Monetary policy, especially exchange rate policy, the interest rate of the State Bank has been implemented correctly and more efficiently than before. The supply-demand relation becomes reasonable. There is no state like "fever" of exchange as the year before. This is going to create favorable conditions for the solution against dollarization, goldenization to reach the target in the future.



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