

VIETNAM

# BUSINESS REVIEW

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## ECONOMY

### Vietnam's Q3 economic growth accelerates to 6.81%

Bloomberg - Vietnam's economic growth quickened in the third quarter, buoyed by foreign investments and exports growth that contrasts with the performance of many of its neighbors.

Gross domestic product rose 6.81% in the third quarter from a year earlier, according to figures released by the Hanoi-based General Statistics Office Tuesday. That compares with a revised 6.47% pace in the second quarter this year.

"Vietnam is the only country with strong export growth amid contracting exports among its regional peers," according to a Australia & New Zealand Banking Group Ltd. research note earlier this week.

In a bid to safeguard exports and support government efforts to boost economic growth to a four-year high of 6.2% in 2015, the central bank weakened the dong's reference rate in August for the third time this year, widening the currency's trading band after China devalued the yuan. The country is also benefiting from cheaper energy costs as



disappearing inflation aids domestic demand.

In the nine months through September the economy grew 6.5%, compared with the median estimate of 6.4% in a Bloomberg survey.

Economic performance in numbers

- Exports rose 9.6% in the nine months through September from a year earlier to \$120.7 billion, with 71% coming from foreign companies

- Imports climbed 15.9% from a year earlier for the same period

- September trade deficit was \$100 million, from \$347 million surplus in August

- Retail sales gained 9.8% in Jan.-Sept. from year earlier

- Industrial production jumped 10.1% in same period from year earlier

- Pledged foreign investment surged 53.4% in Jan.-Sept. from a year earlier, and disbursed foreign investment climbed 8.4%

Vietnam is forecast to post the strongest economic growth this year of six major Southeast Asian countries tracked by the Asian Development Bank in a recent report. The country's growth is expected to accelerate through the second half, underpinned by rising private consumption, export-oriented manufacturing, and FDI, the ADB said.

## BANKS & FINANCE

### Vietnam lowers dollar deposit interest rate

DTI - The State Bank of Vietnam (SBV) has cut interest rates on US dollar deposits to near zero to prevent dollar hoarding.



It said in a statement on Sunday the interest rate ceiling on dollar deposits by individuals will be lowered to 0.25% from 0.75%, while the cap on the interest rate offered by local banks will be reduced zero% from 0.25% for corporate depositors.

The decision takes effect September 28 and is aimed at preventing hoarding of foreign currencies, the SBV said, adding the move was in line with the development of the country's money and foreign exchange markets.

The value of the US dollar has been steadily rising against the Vietnam Dong, a trend expected to continue until year's end.

A representative from Phu Nhuan Jewelry Joint Stock Company said lowering US dollar deposit interest rates may drive investors to buy

more gold as a safe haven, which may be reflected in a spike in gold prices in coming weeks.

### Interest rate cuts hit VN shares

VNS - Vietnamese shares declined yesterday on both local exchanges after SBV reduced the saving interest rate for US dollar saving accounts, which hurt bank shares.

The benchmark VN Index on the HCM Stock Exchange yesterday dropped nearly 1% to close at 564.88 points. The HNX Index on the Ha Noi Stock Exchange lost 0.7% to finish at 78.15 points, ending an eight-day winning streak that saw the index jump 2.7%.

Yesterday, SBV cut the dollar saving interest rate from 0.75% to 0.25% for individuals and from 0.25% to 0% for businesses.

SBV said that its move aimed to ease pressure to devalue the VND, after China's sharply weakened its currency recently and the US central bank plans to raise the interest rates later this year.

Since the beginning of this year, SBV has depreciated the dong by 5% against the dollar.

"Money may flow towards the securities market or the property market or even gold," Do Thien Anh Tuan, lecturer of the Fulbright Economics Teaching Programme, told vnexpress.net website.

"However, the switch should not be large."

However, brokerage VNDirect Securities JSC wrote in its report that the move could also make foreign investors withdraw their money from local financial markets.

Following SBV's move, the banking sector yesterday fell 1.9% – the most declining one among 23 sectors on the stock market - with all of the nine listed banks down.

Vietcombank (VCB) lost 2.3%, the Bank for Investment and Development of Vietnam (BID) was down 2% and Vietinbank (CTG) dropped 1.5%.

In addition, the energy sector also contributed to the market's decline as it fell 1.8% after US crude benchmark West Texas Intermediate yesterday fell 0.9% from last Friday and traded at \$45.28 a barrel.

None of listed energy stocks gained. Petrovietnam Gas Corp (GAS) lost 2.5% and Petrovietnam Drilling & Well Services (PVD) dropped 2%.

Insurancer Bao Viet Holdings (BVH) lost 1%, brokerage Saigon Securities Incorporate (SSI) dropped 2.5%.

Total 117 million shares were traded on the two local markets yesterday, worth VND1.82 trillion (\$81 million), a decrease of 18% from last Friday.

## INVESTMENT



### Investors keen on HCMC's East

VNN - Mr. Neil MacGregor, Managing Director of Savills Vietnam, tells VET about the potential of property investments in the eastern area of HCMC.

■ *What factors contribute to potential of the east of HCMC in attracting real estate development compared with other parts of city?*

The key factor for the eastern area is its strategic position as a gateway to the city and southern provinces.

This factor alone has generated significant investment in infrastructure, housing, and commercial projects in the area.

The planned financial district of Thu Thiem and the future Ben Thanh - Suoi Tien urban railway line have generated huge interest from developers and homebuyers alike.

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■ *Are you receiving many requests for consultancy from real estate developers expressing interest in investing in the city's east?*

Savills has been actively working with investors and developers on a range of projects in Districts 2 and 9, including key projects within the Thu Thiem urban area.

The construction of the urban railway line has had a positive impact on the development of projects in the area, especially in District 2.

Most enquiries have been regarding the apartment market in the east and whether there is sufficient sustainable demand to support the large volumes of supply in the area.

In the first six months of this year the number of such enquiries increased 65% compared with the second half of 2014.

■ *What are your forecasts for price performance in real estate developments in the city's east?*

We expect projects along the Hanoi Highway, particularly those located in Thao Dien, to perform well in the lead up to Metro Line No. 1 becoming fully operational around 2020.

While there may be periods of short-term oversupply with slower price appreciation, we expect good price growth as infrastructure continues to improve and more facilities and services are opened.

The prospect of more schools, hospitals, and international-standard shopping malls are all positive signals that will support the sustainable growth of the market.

For better quality projects we have seen price increases of around 10 to 15% in the last 12 months.

### FDI projects generates little added value

SGT - Though FDI is undeniably a major driver for Vietnam's economic growth, enterprises in the sector mainly make products under outsourcing contracts, thus creating little added value.

According to a report on Vietnam's int'l integration results of the National Assembly Standing Committee's supervision group, since Vietnam joined WTO in 2007, capital mobilization has kept rising and there has been a right shift in the investment structure, with a

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## INVESTMENT

decline in State funding and a surge in private and FDI sector activities.

The FDI sector made up 21.7% of last year's total investments, above 14.9% in 2005 and 16.2% in 2006, or one year before Vietnam became a WTO member.

The 2007-2009 period saw a boom in FDI. Registered FDI capital was \$21.35b in 2007, 1.78 times higher than in 2006, and \$71.7b in 2008, 3.36 times higher than in 2007.

However, FDI approvals fell in 2009-2011 due to the impact of the world's economic downturn before bouncing back since 2012 with \$21.9b registered last year.

The industries with high pledged FDI by the end of last year were processing-manufacturing with \$141.4b & real estate with \$48.3b.

FDI disbursements were quite high between 2007 and 2014 with \$8.03b disbursed in 2007, \$11.5b in 2008, \$10b in 2009, \$11b in each of 2010 and 2011, \$10.05b in 2012, \$11.5b in 2013 and \$12.5b in 2014.

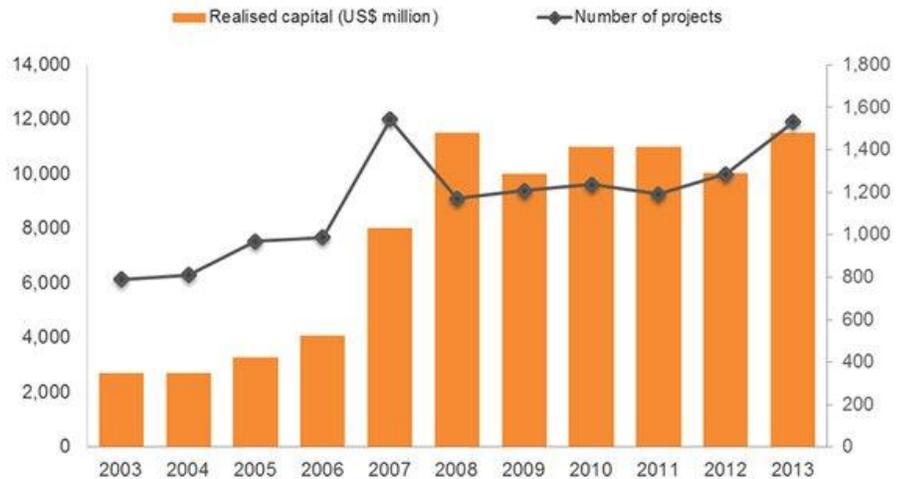
The FDI sector made up 24.3% of total development investments in the economy in 2007, 30.9% in 2008, 25.6% in 2009, 25.8% in 2010, 24.5% in 2011, 21.6% in 2012, 21.9% in 2013 and 21.7% last year. These percentages were higher than the average of 16% in 2001-2006.

Since 2007, the FDI sector's contribution to the country's GDP has soared thanks to its increasing exports. The sector was responsible

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### Foreign direct investment in Vietnam

Realised investment



Source: General Statistics Office of Vietnam

for 17.66% of GDP in 2007, 18.68% in 2008, 18.33% in 2009, 17.69% in 2010, 18.05% in 2011, 18.09% in 2012, 19.55% in 2013 and 20.09% last year. According to a report of the Government, from 2007 to last year, the FDI sector exported US\$56.06 billion worth of goods a year, equivalent to 61% of the country's total export value. Meanwhile, the respective figures in the 2001-2006 period were \$13.48b & 53.7%.

Last year, the combined export revenue of FDI enterprises reached US\$93.96 billion, 62.5% of the nation's total, and had a trade surplus of US\$9.74 billion. Besides, the sector generated around two million direct jobs and millions of indirect jobs.

The sector accounted for 26.6% of Vietnam's workforce, 19.1% of total capital for business and trade, 25%

of net revenue and 42.4% of pre-tax profits in 2013.

However, the group said the quality of FDI is still a concern as most enterprises in the sector make products under outsourcing contracts with foreign partners and the sector's contribution to improving technologies in Vietnam is insignificant.

As FDI companies play an important role in Vietnam's economy, experts are concerned that their withdrawal of capital from Vietnam would affect economic growth.

At the 2015 Spring Economic Forum held last April, an expert of the Vietnam Institute of Economics said industrial growth of Bac Ninh Province dropped significantly last year (down 4.9%) when Samsung Vietnam changed its investment policy.

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## ENTERPRISES

### Foreign firms flock to IZs

VOV - Foreign direct investment capital into VN's industrial zones is expected to grow continually as manufacturing companies shift their operations to VN in anticipation of a wide range of free trade agreements.

According to the latest report released by Savills VN, many investors in the textile and garment industry from China, Taiwan and Hong Kong have recently entered the fray to be one step ahead of TPP approval. Large-scale projects approved for the industry in the first half of 2015 drove the manufacturing sector, which accounted for 76% of fresh FDI commitment (\$4.18b) to VN in the period.

The textile and garment industry is expected to achieve double-digit growth when TPP is approved. The partnership stipulates that fabrics and final garments exported within TPP should be produced in TPP

member countries.

Recent research by Standard Chartered bank showed a shift of investment from China to the ASEAN community in a bid to capitalize on the upcoming TPP. 44% of respondents said they would choose VN for a large domestic market, 29% for lower operational costs, & 18% for an ample labour supply.

Notably, giant tech Microsoft has closed its two Nokia plants in China in favour of a new location in Vietnam. The company was reported to expand its \$210m plant in Bac Ninh's Vietnam-Singapore Industrial Zone (VSIP) and triple its current 5,000 head count.

In addition, the Regional Comprehensive Economic Partnership (RCEP) and ASEAN Economic Community (AEC), in which Vietnam and Singapore are members, also facilitate bilateral investment opportunities. Singapore-based Mapletree

Investments has reportedly committed to investing US\$1 billion in developing industrial zones (IZs), offices, and apartments in Vietnam. Other Singaporean peers, such as Famed Banyan Tree, Keppel Land and CapitaLand, have announced plans to invest in large-scale property projects in Vietnam.

Savills Vietnam's report also points out that Vietnam has accelerated more legal reform by asking local authorities to scale down or even close IZs with low occupancy rates to make room for other development plans.

In this sentiment, Jonathan Tizzard, director of Research and Valuation at Cushman and Wakefield Vietnam, said that Vietnam was becoming a favourable destination for foreign manufacturers, as the government had made efforts to implement further legal reform. The strong investment in education and training also helps increase the educated workforce. This, coupled with low wage costs compared to other countries in Southeast Asia, makes Vietnam more attractive.

"Vietnam continues to grow as a manufacturing destination, climbing one place in 2014 to top our Growth Index. The pace of growth in its retail market continues to present opportunities to retailers and manufacturers of fast-moving consumer goods alike as the sector expands," he noted.



## ENTERPRISES

By July 2015, there were 299 IZs in Vietnam, with the total area of approximately 84,000 hectares, of which the total leasable area was 56,000ha (66%). The leased area is currently operating at 46% occupancy.

### Vietnam steel exporters investigated



VNS - Domestic steel exporters are worrying about losing export markets in ASEAN as more countries have initiated dumping investigations on imports from VN.

Thailand launched three anti-dumping investigations this month on Vietnamese steel sheets and steel products. In the past, other export markets in the region have also conducted probes into steel sheet imports from Vietnam.

Ho Quang Thiep, the first deputy general director of Southern Steel Sheet Company, said Thailand's investigation on cold-rolled steel sheets and colour-coated steel sheets had caused difficulties for domestic producers, especially in seeking outlets for their products. Supply now is double domestic demand.

Vietnam's cold-rolled steel sheets and colour-coated steel sheets

have been exported to many countries in ASEAN, mainly to Thailand, Malaysia, Indonesia, and Cambodia, in the past three years.

The government of Indonesia imposed an anti-dumping tax on imports of Vietnamese cold-rolled steel sheets from July 7 2014 to July 7, 2017.

The rate rose to 150 % of the selling price of the product in the first year and 139 % in the third year.

With this rate, Vietnamese businesses almost fled the Indonesian market.

With an average export price of US\$ 600-700 per tonne, plus the safeguard duty, Vietnamese steel to Indonesia sold for more than \$1,000 a tonne, too high to compete with products from China and other countries, Thiep said.

A company official in charge of exports for a large steel sheet production company said exports to Malaysia were under threat as the country had initiated a dumping investigation into Vietnamese colour-coated steel sheets, with the dumping margin allegedly amounting to 13.68%.

"We've very worried that it will be hard to export to this market again, because Malaysia will surely impose a tax," he said.

According to the Vietnam Steel Association (VSA), the country produced nearly two million tonnes of zinc-coated and colour-coated steel sheets in the first eight months

of the year, with about 600,000 tonnes exported.

This accounted for more than 50 % of the country's total steel exports.

Nguyen Van Sua, VSA deputy chairman, said output was expected to be the same as last year at about 2.8 million tones, much lower than the production capacity of domestic steel sheet producers of 4 million tonnes a year. The domestic market last year consumed just 1.8 million tonnes, and enterprises had to find ways to export the rest.

With this situation, next year promises to be an extremely challenging one for producers of cold-rolled and colour-coated steel sheets.

The influx of China steel sheets into the Vietnamese market has made the situation worse, he said.

Thiep said Chinese steel sheets imported to Vietnam increased from nearly 774,000 tonnes last year to nearly 991,000 tonnes in the first nine months of this year.

The price of Chinese colour-coated steel sheets was about VND14.7 million per tonne, about VND3.3 million – VND5.3 million cheaper than locally made steel sheets, even lower than domestic production costs.

## MARKET & PRICE

### Vietnamese farmers suffer from price fall

VNN - Farmers in the Mekong Delta are "crying" because of the drop in prices for agricultural products such as rice, pitaya, and sweet potatoes. At the same time, shrimp breeders are suffering because of crop disease and the sharp fall of prices, the lowest in many years.

Now is the harvest time for the summer-autumn paddy crop, and as a rule, the rice prices are low. However, many farmers have decided to sell paddy on the spot because they could not stock rice to wait for higher prices.

Nguyen Cong Ly, a rice farmer in Phuong Thinh commune, Cao Lanh district of Dong Thap province, said: "I planted a fragrant rice variety, a specialty of Dong Thap, but the price is just VND4,100 per kilo. It is lower for other fragrant varieties of rice like OM 4900 and Jasmine (VND4,000/kg) or IR 50404 (VND3,800/kg). At these prices, farmers do not make a profit or even suffer heavy losses if they used hired labor."

Ly said farmers had to sell paddy in the field at low prices because they were afraid of the cost for storage and the reduction of rice quality due to unpredicted weather.

Growers of pitaya and sweet potatoes in Tien Giang, Long An and Vinh Long provinces are also in the similar circumstance. Dragon

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fruit is piled up on the sidewalks in HCM City and other towns, priced only VND3,000/kg.

Tran Van Hoa, Deputy Head of the Agriculture and Rural Development Division of Cho Gao district, said the district has 4,053 hectares of dragon fruit, with a capacity of about 15 tons per hectare. This year farmers incurred losses because of the low price for this fruit.

Hoa said premium dragon fruit for export accounts for about 30% of the output. The remaining is classified as second and third class, with very low prices, about VND1,000/kg at the garden. On the sidewalks, it is priced VND3,000.

Shrimp breeders afflicted by disease, low prices

According to incomplete statistics in Tra Vinh province, more than 1 billion breeding shrimp of 25-40 days of age died of diseases, causing huge losses for breeders.

In the provinces of Tien Giang, Ben Tre, and Soc Trang, the areas of shrimp-breeding areas affected by diseases were also vast. The main reason was weather and disease epidemics. Many households had to stop business to avoid further losses.

Besides disease, the price for shrimps fell to the lowest level in many years.

Le Minh Tuan, a farmer in Hamlet 4, Binh Thoi commune, Binh Dai district, Ben Tre province said he had losses of VND25 million (US\$1,200) for feed and baby shrimp, which died en masse. He was not the only one that suffered shrimp epidemics.

Tuan also said that the price for shrimp was also very low, with VND80,000 (nearly US\$4) for a kilo of white-legged shrimp (100 shrimps/kg) and VND100,000 for a kilo with 70 shrimp, from VND30,000 to VND40,000 (US\$1.5-US\$2) less than the same period last year.

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## LEGAL UPDATES

### The new provisions on enterprise registration applicable from 1 Nov, 2015

Decree No. 78/2015/ND-CP dated September 14, 2015 of the Government on enterprise registration.

This Decree deals with necessary documents and procedures for registration of enterprises; registration of business households; the provisions on business registration authorities.

Accordingly, in comparison with the earlier provisions, there are some noticeable points in this Decree:

- Do not write business lines in the certificate of enterprise registration. The business registration authority only writes such information in the National Enterprise Registration Database (Clause 1 Article 7)
- ID numbers of an enterprise's affiliates are issued to the enterprise's branches and representative offices. The business location shall be issued a separate ID number (ID number of business location) (Clauses 5 and 6 Article 8). Previously, the enterprise's branches and representative offices and business location are all uniformly granted the "ID numbers of an enterprise's affiliates"

The enterprise's name in a foreign language, abbreviated name must not coincide with such names of another enterprise that have been

registered. The regulations on avoidance of name coincidence are applied nationwide.

- Enterprises operating under their investment licenses or certificate of investments (also the certificate of business registration) whose name are the same as or confused with other enterprises' names on National Enterprise Registration Database are not required to change their names.
- Names of the enterprise's branches, representative offices, or business location may be registered foreign names and abbreviated names (Clause 2 Article 20)
- The time limit for issuing the certificate of enterprise registration is shortened to 03 working days (Article 28)
- Every enterprise is entitled to decide the design, content, and quantity of its seal and the seals of its branches and representative offices. An enterprise may have multiple seals with the same design and content. (Article 34)
- Enterprises may either use public digital signatures or business registration accounts to apply enterprise registration online (Article 35). Business registration accounts are accounts created by National Enterprise Registration Info System for organizations and individuals to apply for enterprise registration online (Clause 9 Art. 3)

### To correct provisions on C/O form JV to be eligible for VJEPA tax incentives

Decision No. 1362/QD-BTC dated 10 July 2015 of the Ministry of Finance on correction of Circular No.25/2015/TT-BTC dated 14 Feb 2015 of the Ministry of Finance on promulgation of VN's special preferential import tariff for implementation of the Vietnam - Japan Economic Partnership Agreement in 2015 – 2019.

This Decision is to correct Clause 4 Article 2 of Circular No. 25/2015/TT-BTC as follows:

- Clause 4 Article 2 of Circular No. 25/2015/TT-BTC has been printed: "Satisfying the rules of origin of goods in VJEPA and having the Vietnam - Japan certificate of origin form VJ (referred to as C/O - Form VJ) as required by the Ministry of Industry and Trade.
- Now, it is corrected: "Satisfying the rules of origin of goods in the Vietnam - Japan Economic Partnership Agreement and having the Vietnam - Japan certificate of origin form JV (referred to as C/O - Form JV) as required by the Ministry of Industry and Trade

This Decision takes effect from the date of its signing and becomes an inseparable part of Circular No. 25/2015/TT-BTC dated February 14th, 2015 of the Ministry of Finance.

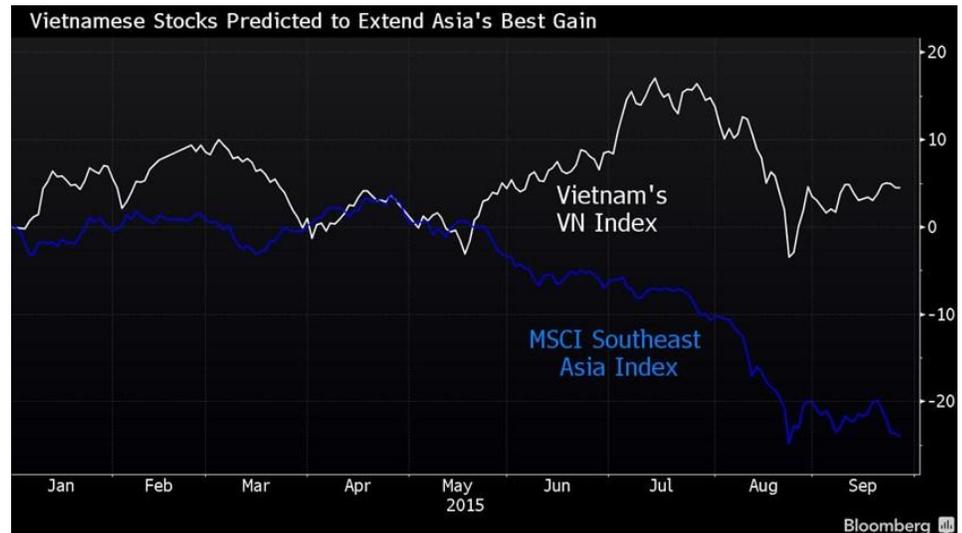
## HIGHLIGHTS

### Vietnam stocks are giving Asia's best returns

Bloomberg - Vietnam's stocks are poised to resume gains that have made the benchmark equity index Asia's best performer this year as the nation's economic resilience shields it from China's slowdown, according to strategists.

After trading little changed this month and falling 9% in August, the VN Index will advance to 622 by the end of 2015, or 10% above its close on Sept. 28, according to the average of 11 analyst forecasts in a Bloomberg survey. While strategists have cut their estimates by an average 5% since January, such an advance would still be the biggest for any quarter since the first three months of 2014.

The confidence in Vietnam's stock market underscores how Prime Minister Nguyen Tan Dung's policies are helping buoy growth in the country's \$186 billion economy, offering investors a bright spot in a region suffering the fallout from China's slowdown. The economy is expected to accelerate through the second half of the year, underpinned by rising private consumption, export-oriented manufacturing and foreign direct investment, the Asian Development Bank said last week. Vietnam is



headed for a 10th straight year of inflows.

Maccana kept his January projection for the VN Index to advance to 650 by the end of the year. In 2013, he predicted the gauge would rise as much as 33%. The index climbed as much as 29% before ending the year with a 22% gain.

The VN Index has climbed 3.5% this year, the most among Asian benchmark gauges, and is valued at 12.5 times estimated earnings, versus 14.3 for the MSCI Southeast Asia Index. The MSCI measure has plunged 25% in the period.

The ADB boosted its growth forecast for Vietnam this year to 6.5% from 6.1%, according to a report released Sept. 21. Gross domestic product expanded 6.28% in the first six months of 2015.

Fading inflation is boosting domestic demand, with the number of new businesses climbing 29% this year. Inflation dwindled to zero this month for the first-time ever, Nguyen Bich Lam, head of the General Statistics Office, said last week. Price gains have averaged less than 1% this year, compared with a five-year average of more than 9% through 2014.

A cheaper currency is also lifting the value of overseas shipments. The central bank weakened the dong's reference rate in August for the third time this year and widened the currency's trading band after China devalued the yuan. Exports rose 9.6% in the nine months through September from a year earlier, according to data from the Ministry of Planning and Investment.

### Earnings decline

## HIGHLIGHTS

While China was Vietnam's largest trade partner last year, the U.S. has been growing in importance, with the Southeast Asian nation exporting \$8.2 billion worth of goods to America in the first quarter of 2015, compared with \$4.9 billion to China, according to data compiled by Bloomberg. A report last week showed the world's largest economy expanded more than previously forecast in the second quarter.

External risks are rising and investors are getting more cautious.

Still, Vietnam is not immune from the slowdown in China. The weaker dong threatens to increase costs at companies with dollar-denominated debt. Vietnamese analysts project earnings will fall 12% in the next 12 months, compared with a 0.9% gain for MSCI's Southeast Asia gauge.

"External risks are rising and investors are getting more cautious," Hoang Viet Phuong, director of institutional research and investment advisory at Saigon Securities Inc., the country's largest brokerage, said in Hanoi. "China's economic slowdown is having a negative impact."

### 'Bright spot'

To lure more overseas investors, the government has allowed some companies to raise foreign

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ownership limits to 100%, while the market regulator is also working on a plan to merge the country's two stock exchanges, open a derivatives market and secure an upgrade to emerging-market status. Overseas investors have bought about \$174.3 million of the nation's stocks this year through Sept. 25, compared with outflows of \$2.9 billion from Thailand, \$857 million from the Philippines and \$850 million from Indonesia. Pledged foreign direct investment grew 53% to \$17.2 billion in Jan.-Sept. period, according to government data.

### Volkswagen to assemble cars in Vietnam



VNN - According to a report in VnEconomy, the Vietnamese-language online version of Vietnam Economic Times, Volkswagen has been working with Phu Thai Holdings to develop plans in Vietnam, with the aim of importing, assembling, and distributing its models.

The online newspaper's source also said that Volkswagen has

appointed PON, a Dutch group and its oldest and largest distributor, to support Phu Thai Holdings in implementing market research and completing a master plan to introduce Volkswagen cars in Vietnam.

PON will continue to cooperate with Phu Thai Holdings to promote Volkswagen in Vietnam and also enter into Cambodia, Laos, and Myanmar.

Six Volkswagen models are expected to be assembled and distributed in Vietnam.

A market survey conducted by Phu Thai Holdings, PON and Volkswagen estimated sales of its six models will reach 1,600 units in 2016 and 6,800 units by 2020.

Founded in 1937 in Germany, Volkswagen is one of the largest car manufacturers in the world, producing Audi, Bentley, Skoda, Lamborghini, Bugatti, SEAT, Porsche, and Volkswagen motor cars. Its main markets are Europe and China.

In recent days it has been hit by a scandal involving fraudulent emission claims. Up to 11 million vehicles are affected, and the company's share price continues to fall at a dizzying speed.

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