

# VIETNAM BUSINESS REVIEW

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The first made-in-Vietnam smartphone to be sold in retail stores



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## ECONOMY

### Vietnam moves up WB ranking



*The World Bank's 'Doing Business 2016' report showed that Vietnam has risen three places in the global ranking*

VIR - Vietnam has risen by three places on the World Bank's business environment ranking, reflecting its efforts to create a business-friendly climate.

The World Bank released its Doing Business 2016 report last week, with the Vietnamese economy's global ranking climbing to the 90th place at 62.1 points, out of 189 nations surveyed, from the 93rd place in the bank's previous report, which also included the same number of nations.

"The World Bank's new ranking for Vietnam reflects enterprises' growing confidence, and the government's big efforts to improve the country's competitiveness," Nguyen Van Nen, Minister and Chairman of the Government Office, told VIR.

Under the new report, Vietnam is notably praised by the World Bank for conducting five reforms, which are the most in ASEAN and have made it easier for enterprises to do

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business. The reforms include 'start a business', 'get electricity', 'get credit', 'pay taxes', and 'resolve insolvency.'

Specifically, in the 'start a business' category, Vietnam moved up by six places, from the 125th to the 119th. "Vietnam made starting a business easier by reducing the time required to get the company seal engraved and registered," said the new report.

In the 'get electricity' category, the country has improved by 22 places, from the 130th to the 108th. Vietnam reduced the time required for getting an electricity connection by reducing delays and increasing efficiency in approving connection applications and designs for connection works, according to the World Bank.

In the 'get credit' category, Vietnam has been lifted by eight places, from the 36th to the 28th. The World Bank commented that "Vietnam guaranteed borrowers' right to inspect their credit data, while the new credit bureau expanded borrower coverage, improving the credit information system."

Meanwhile, in the 'pay taxes' category, the nation witnessed an improvement of four places, from the 172nd to the 168th.

"Vietnam reduced the effective financial burden of profit taxes on

companies by introducing changes to tax depreciation rules or deductions," said Kaushik Basu, senior vice president and chief economist of the World Bank based in Washington DC. "Vietnam has simplified the tax compliance process, by reducing the number of value added tax filings for companies with an annual turnover of VND50 billion (\$2.3 million), or less from monthly to quarterly."

Furthermore, Vietnam has made resolving insolvency, which ranked 123rd in the report, easier by clarifying and simplifying provisions on liquidation and reorganisation, modifying the standard for commencement of insolvency proceedings, and changing provisions on voidable transactions. It has also been regulating the profession of insolvency trustees and established rules for enterprise asset managers.

Prime Minister Nguyen Tan Dung, who is upbeat about the economic outlook, told the National Assembly that Vietnam's global competitiveness had risen by 19 places from 2010-2015. He cited the World Economic Forum as reporting that Vietnam's global competitiveness index stood at 75th out of 139 nations in 2010, and has since risen to rank 56th out of 140 nations this year.

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## BANKS & FINANCE

### SBV to take synchronous measures in exchange rate management

VNA - The State Bank of Vietnam (SBV) will keep a close watch on the development of domestic and global macro economies and monetary markets to assure synchronous exchange rate management, said SBV Deputy Governor Nguyen Thi Hong.

The SBV official said that the move aims to curb inflation, stabilise the macro economy and spur national economic growth.

According to Hong, SBV predicted early this year that changes in the international financial market would impact VN's exchange rate & export-import activities. So SBV revised the interbank exchange rate 2 times with a total hike of 2%.

However, the People's Bank of China (PBoC) on August 11 announced a 1.9% devaluation of the Yuan, which resulted in the depreciation of major currencies in Asian countries – some of Vietnam's big trade partners.

To prevent negative impacts on Vietnam's exchange rate and export-import activities due to fluctuation, the SBV decided to raise the exchange rate amplitude from +/-1% to +/-2% from August 12.

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The domestic monetary market still had no time to relax as worries over the US Federal Reserve (Fed)'s possible interest rate increase began to spread, she further said.

In that context, SBV continued to expand the interbank average exchange rate by 1% and the VND/USD exchange rate amplitude from +/-2% to +/-3% from August 19. Hong said the adjustments help Vietnam's exchange rate flexibly cope with unfavourable developments in the domestic and international economies that may occur in the remaining months of this year and even the first few months of 2016. This would ensure the stability of foreign exchange market & competitiveness of goods made in VN.

With such preparations, the Fed's interest rate rise will not affect the SBV's exchange rate, she affirmed, noting that with the resolve to stabilise the market, the bank already has necessary solutions and equipment prepared to keep the exchange rate stable.

The deputy governor said SBV considered heightening the VND's position and constraining dollarisation in accordance with the Government's guidelines an essential task.

### Commercial banks eye finance companies

Infonet - Commercial banks are planning to take over finance companies to implement plans to develop consumer credit.



The Military Bank's (MB) buying of Song Da Finance JSC (CDFC) has resulted in the establishment of the MB Consumer Finance Company Ltd, an MB subsidiary with chartered capital of VND500 billion. After the deal was approved by the MB extraordinary shareholders' meeting held on October 6, 2015, MB has become the latest commercial bank in the consumer finance sector.

MB jumped into the market segment after realizing that the market has been growing very rapidly in the last 10 years while analysts predicted it would even see higher growth rate - 20-30% until 2019.

Nguyen Minh Phong, a renowned economist, said he can see the great development potential of the consumer finance market which is

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reflected in the establishment of a lot of consumer credit divisions under banks and the establishment of a series of finance companies in recent months.

A lawyer noted that the consumer finance boom could be attributed to Document No 5342 dated in July 2014 which requests credit institutions to increase lending without required mortgaged assets. Before the MB-SDFC deal wrapped up, the market witnessed a series of other successful transactions.

More recently, in July 2015, HD Bank and Credit Saison launched HD SAISON Finance into the market.

In 2013, HD Bank took over Viet Société Générale and renamed it as HD Finance. Later, in April 2015, with capital contribution from Credit Saison, the strategic investor, changed into HD SAISON Finance.

In June 2015, State Bank's Governor released a decision approving the deal of Maritime Bank taking over Vinatex Finance and setting up MSB Finance Company.

Just some days before that, the State Bank also agreed on Techcombank's deal of buying the Vinachem Finance Company (VCFC).

A series of similar deals were approved by the State Bank in 2014, under which VP Bank took over

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Vinacomin Finance Company (CMF) to form up VBP FC with FE Credit brand.

An analyst said he believes the competition in the consumer credit market to finance private purchases will be stiffer in the time to come as more and more finance companies have joined the market. SHB is reportedly going to convene an extraordinary shareholders' meeting to discuss the plan to admit Vinaconex Finance Company (VVF), slated for Oct 24. However, he commented that the market is large enough for service providers as the demand for consumer loans has been increasing rapidly.

### Investors cautious over bank shares

VOV - Though local state-owned enterprises wishes to sell stakes in banks to which they contributes capital, no foreign investors want to buy such stakes unless the foreign ownership limit at banks is lifted.

As part of the group's route to divest from its non-core businesses, state-run Electricity of Vietnam (EVN) wants to sell its stakes at HCMC-based An Binh Bank (ABBank), and so far has sold 81.5 million of ABBank shares, equivalent to 16% of the bank's chartered

capital. EVN still holds 41.5 million ABBank shares, or 8% of the bank's stakes.

Likewise, the Ministry of Finance's (MoF) Debt and Asset Trading Corporation (DATC) has put its stakes at Oriental Commercial Bank (OCB) and Saigon Commercial Bank (SCB) up for sale, starting at VND4,900 (US\$0.22) per OCB share and VND4,100 (US\$0.19) per SCB share. The DATC currently owns 26,660 OCB shares and 24,662 SCB shares.

State-run Vietnam Posts and Telecommunications Group is also divesting from its Maritime Bank ownership, disposing of 71.5 million shares at a starting price of VND11,700 (US\$0.54) per share.

Investing in banks was once seen as "the goose that lays the golden egg" for many state-owned enterprises (SOEs). During 2007-2009, investing in banks or bank stocks could certainly yield big profits, and many banks were also set up then, as part of the fashionable and profitable trend.

However, later on, the government decided that it did not need to hold on to stakes that it deemed non-essential.

The government and the banks themselves have always yearned for the participation in local banks

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of foreign investors, who are very strong financially and technically, with modern corporate governance.

However, according to experts, doubts are still lingering over the local banks' management and operation, as well as the prospects of the local banking sector and the foreign ownership threshold, which in turn affect both local and foreign investor confidence and the decision to invest in local banks.

Ho Chi Minh City-based chief investment officer Andy Ho at VinaCapital – the country's largest fund manager in terms of assets, when asked if the company had plans to invest in banks, stated that VinaCapital would not necessarily acquire the local bank stocks, given fears over the local banks' weak management and operation that had led to fraud and the arrest of several bank leaders in recent years.

Peter Sorensen, managing director at ABB Merchant Banking - a Hanoi-based corporate and investment consulting firm, also commented that investing in a bank was essentially a leveraged investment in the Vietnamese economy, with a premium according to the strength of the particular institution being

invested in. There was still a considerable amount of scepticism within the investor community around the Vietnamese economy's exact future trajectory.

"The pricing of the bank stock is being scrutinised very closely," Sorensen said, explaining that as investments were proposed at a significant premium to book value, there was uncertainty among investors about being able to get their required returns when investing in Vietnamese banks.

According to him, the banks that are going to be divested from are small to medium-sized banks, with limited network coverage and customer base. As such, foreign investors, including Japanese investors, are not very interested in acquiring these banks' stocks at present.

VinaCapital's Ho underscored the foreign ownership limit (FOL) as a major obstruction to foreign investors.

### **The proposal**

Vietcombank chairman Nghiem Xuan Thanh recently proposed that the government lift the FOL at banks to above 30 %, and at the same time, reduce state-owned stakes at banks to 51 %, in a bid to meet the raising demand for bank

capital, support the slumping state budget, and subsequently attract foreign investors.

Echoing Thanh's proposal, Sakakibara, however, noted that it would actually take time and a thorough procedure to consider raising the FOL and reduce the state-owned bank stakes.

"While the government may maintain the current FOL, it can perhaps grant foreign investors, who may only acquire some 10-20 % of the available bank stakes, the right to veto important decisions in the bank's operations and management by amending the corporate charters of the bank," he suggested.

ABB's Sorensen said that the foreign ownership limit should be fully removed from investments in certain banks.

"If foreign owners can hold majority stakes and fully control operations, they are more likely to bring their technical expertise and experience to these banks," he said.

"If foreign investors could hold the majority in strong banks, they will invest and help create leading banking institutions in the country, which could be role models for the whole Vietnamese banking sector," he said.

## INVESTMENT

### Singaporean fund invests in HCMC



VNA - Singaporean Genesis Global Capital and Phuc Khang Corp signed an agreement on November 1 to develop a green residential building project in HCMC. Under the agreement, the fund bought 30% of the Diamond Lotus project, worth \$300m, & would lend it over 6 years, said Phuc Khang Corp Chairman Tran Tam.

The company is investing in construction of residential & urban areas on 1,000 hectares. In 2016, it plans to provide 3,000 environmentally friendly apartments that meet US standards in the central districts.

Ng Chuan Kai, director of Genesis Global Capital, highlighted the city's potential for international integration and incentives Vietnam has offered to foreign investors.

Vu Xuan Thien from the Ministry of Construction said the agreement marks the first long-term retail deal between a local enterprise and an international investor.

Diamond Lotus, which cost nearly VND1.27 trillion (\$56.6m) and meets the US's LEED standards, is located on 1.68 hectares on Le Quang Kim Street in District 8.

It has 3 apartment buildings and a 500-sq-metre garden on the roof.

### VN firms investing \$2.4b in Russia



*The key projects included one by the Viet Nam National Oil and Gas Group (PetroVietnam) to develop the Rusvietpetro Joint Venture Company with a total investment of \$2.02 billion to explore and exploit oil and gas in Russia.*

VIR - Viet Nam invested a total of US\$2.4 billion in 18 projects in Russia by end-September, according to the Foreign Investment Agency (FIA) under the Ministry of Planning and Investment.

The key projects included one by the Viet Nam National Oil and Gas Group (PetroVietnam) to develop the Rusvietpetro Joint Venture Company with a total investment of \$2.02 billion to explore and exploit oil and gas in Russia.

PetroVietnam had also invested a total of \$125 million in another oil exploitation project in Russia.

Another large project by a Vietnamese investor in Russia involved building the Ha Noi Moscow Trading Centre, with a total investment of \$190 million.

Meanwhile, the agency reported by the end of September that Russian investors had registered to invest \$1.96 billion in 114 projects in Viet Nam. Russia has ranked 17th on the list of 105 nations and territories investing in Viet Nam.

Russia has made its largest investment in the processing and manufacturing sector, with \$1.13 billion, accounting for 58% of its total investment in the country, distributed amongst 37 projects.

Two other sectors receiving large Russian investments were mining and real estate, with capital of \$581.2 million and \$72.7 million respectively.

Some large Russian-invested projects included the Bus Industrial Centre Company, with total capital of \$1 billion; the building of a factory for producing and assembling parts for buses in Binh Dinh Province; and a project to exploit oil and gas, with capital of \$328 million.

## ENTERPRISES

### French retailer Auchan lands in Hanoi



VN Economic Times - France's leading retail group Auchan will sign a strategic cooperation contract with the Military Petrochemical JSC (Mippec) on November 3 to get its supermarket chain underway in Hanoi. A contract to lease space at the Mippec Long Bien Commercial Center will also be signed.

The strategic deal sees Auchan officially arrive in Vietnam's capital under its plan to launch the Simply Mart supermarket chain in the northern region. The supermarket at Mippec Long Bien will cover an area of 3,700 sq m.

According to Mr. Gilbert Infantes from the company's Executive Board it will continue to expand to 20 Simply Mart supermarkets in Hanoi by 2020.

This first Simply Mart will officially open its doors in 2016, just as the Mippec Riverside residential project conducts its handover to purchasers. The supermarket will stock 1,000-4,500 household products on its shelves.

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The signing of the cooperation contract with Mippec is the next step in Auchan's plans to invest \$500 million in Vietnam, which was first announced more than two years ago. In the southern region, Auchan has partnered with the C.T Group to develop S-Mart supermarkets and also plans to take Simply Mart to the south next year. Auchan joins the retail competition with names such as Lotte, Aeon, BigC, and Metro.

### MBV celebrates its 20th anniversary with 20 cars at VMS 2015

SGT - Mercedes-Benz Vietnam (MBV) is extending a warm welcome to all visitors and customers to its booth at the 2015 Vietnam Motor Show (VMS), where 20 Mercedes-Benz cars are displayed to mark the company's 20th anniversary milestone here in the country.

MBV boasts the largest display area at VMS 2015, 780 square meters, or 150 square meters larger than last year. The theme of its booth and display lineup is "Modern luxury in motion".

For the first time, MBV has brought the world-class "Silver flow" booth design to an automobile show in Vietnam. Automotive enthusiasts can find this in line with other

Mercedes-Benz booths at famous international motor shows.

The 'in motion' factor is also expressed via exclusive performances including Arabesque dancing and aerial catwalk. Furthermore, an additional 200-square-meter area outside, called "Proven Exclusivity", is promised to bring approachable pre-owned vehicles much closer to MBV customers.

"With the 'Silver Flow' booth design and an impressive lineup, we bring an international motor show experience to visitors and customers in Vietnam," said Dirk Adelmann, managing director of Mercedes-Benz Passenger Cars.

VMS 2015 features 12 cars at Mercedes-Benz booth and eight cars in the Proven Exclusivity, with 10 of them new to the domestic market.

Especially, MBV looks to further strengthen its SUV market presence by introducing four new models. The new GLE and GLE Coupé are the highlight products of the show, while the G 500 Edition 35 and the GLA 250 4MATIC Edition 1 are expected to draw the attention of visitors owing to their exclusiveness.

To celebrate the 20th anniversary, MBV introduces the E 250 AMG Edition 20 with only 20 units. This

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## ENTERPRISES

exclusive variant comes with the sophisticated Hyacinth Red paint, 'Edition 20' badge on front wings, illuminated star and carbon-fiber spoiler/mirrors.

The C-Class is the superior car in its segment in both sales and specifications but customers still ask for a stronger and faster C-Class. That is why MBV comes up with two answers: the AMG C 63 S Edition 1 for extreme performance, and the much more approachable option, the C 300 AMG.

Sharing the same efficient yet powerful engine from the C 300 AMG is the SLK 300. With the support from the 9G-TRONIC transmission and its light-weight nature, the SLK 300 remains pure driving experience and high-performance with lower fuel consumption.

The "Best Driver's Car 2015" of the prestigious Motor Trend magazine, the AMG GT S, is the magnet of all speed enthusiasts and petrol-heads at VMS 2015. On the other extreme, the V 220 CDI attracts families who need spacious interior for their outside activities. This premium MPV is also suited for business solutions like hotel shuttle or SME chauffeur.

Last but not least, "A-volutioners" can satisfy themselves by the



untamed and trendy AMG CLA 45 4MATIC OrangeArt Edition.

At the beginning of this year, MBV promised to achieve higher customer satisfaction by applying state-of-the-art automotive technologies on its lineup. It has walked the talk with the Multibeam LED on the CLS 500 4MATIC and the Magic Body Control on the Maybach S 600.

At VMS 2015, the 9G-TRONIC transmission is equipped for the SLK 300, the GLE 400 4MATIC Coupé & GLE 450 AMG 4MATIC Coupé as standard. 9G-TRONIC is the world's first nine-speed automatic transmission in the premium segment to feature a hydrodynamic torque converter. Its high efficiency helps to reduce fuel consumption by up to 6.5 %.

Besides, the transmission provides a completely higher level of comfort

and dynamism right at low-revs. The shifting process is almost imperceptible gear changes to drivers and passengers.

Especially, the Collision Prevention Assist Plus (CPA Plus) will also be a standard feature on most of the products of Mercedes-Benz Vietnam from October 2015. CPA Plus is an anticipatory driving assistance system that combines a radar-supported distance warning feature, braking assistance and an autonomous partial braking. The system helps drivers prevent or mitigate entirely the result of a collision with the vehicle in front thanks to the automatic brake assist function.

## MARKET & PRICE

### October PMI comes in at 50.1

VN Economic Times - The Nikkei Vietnam Manufacturing Purchasing Managers' Index (PMI), a composite single-figure indicator of manufacturing performance, posted 50.1 in October, only fractionally above the 50.0 "no-change" mark and thereby signaling little change in business conditions over the month. The reading was up from the 49.5 recorded in September, according to the latest report from Nikkei and Markit Economics.

Vietnam's manufacturing sector stabilized in October, providing some reassurance that the deterioration seen in September was not the start of a prolonged downwards trend, according to Mr. Andrew Harker from Markit.

That said, the strong growth seen earlier in the year now seems a long way off, with external markets looking to be the key headwind at present, the report stated. Firms will hope for an improvement in global economic conditions to help support a return to growth.

Helping the headline index to rise back above the 50.0 mark was a marginal increase in production, according to the report. This followed a fall in the previous month.

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### Nikkei Vietnam Manufacturing PMI



Sources: Nikkei, Markit

Those respondents that saw growth in output linked it to higher new orders. However, other panelists saw new business decline, thereby feeding through to lower production.

New business decreased marginally overall in October; the second successive month in which a reduction has been recorded.

Lower new business resulted in spare capacity at Vietnamese manufacturers and a subsequent reduction in backlogs of work. This also led to a third successive monthly slowdown in the rate of job creation.

Manufacturers in Vietnam continued to report falling raw material prices during October, feeding through to reductions in both input costs and output prices.

In both cases the rate of decline was solid but the weakest in three months. Input prices have fallen continuously since July.

A second successive monthly reduction in purchasing activity was posted, with panelists indicating that holdings of inputs were sufficient to meet output requirements. Consistent with this was a marginal increase in stocks of purchases, ending a three-month sequence of depletion.

Stocks of finished goods also rose, as was the case in September. According to respondents, an increase in production, a fall in new orders, and delays in distributing products to customers all contributed to the increase in post-production inventories.

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## LEGAL UPDATES

### Legal moves in November

#### Detailed provisions for Law on Real Estate Business

On September 10 the government issued Decree No. 76/2015/ND-CP providing details on the implementation of certain articles of the Law on Real Estate Business. The decree provides details on the requirements of organizations and individuals in the real estate business, the types of contracts in real estate business, transferring contracts for ownership of existing housing or ongoing constructions, transferring contracts for ownership of projects to be built in the future, and procedures for transferring all or a part of a real estate project. The decree will come into effect on November 1.

#### New regulations on business registration

Decree No. 78/2015 /ND-CP issued on September 14 guides certain articles relating to business registration, addressing shortcomings in Decree No. 43/2010/ND-CP and Decree No.05/2013/ND-CP, codifying innovations and reforms in business registration to create favorable conditions for individuals and

businesses in registering or closing businesses.

#### Boat owners allowed to borrow 70% of upgrade costs

Under Decree No. 89/2015/ND-CP from the government on aquaculture development, boat owners wishing to repair and upgrade coated steel vessels are allowed to borrow 70% of the cost from commercial banks at an interest rate of 7% per annum, of which the government will support 4%. The decree takes effect on November 25.

#### Visa exemptions for Vietnamese residing abroad

Visa exemptions are now available under Decree No. 82/2015/ND-CP to overseas Vietnamese and foreigners who are spouses or children of Vietnamese citizens or overseas Vietnamese with a passport or travel papers valid for at least one year and not excluded from entry under Article 21 and Article 28 of the Law on Entry.

Overseas Vietnamese must apply for a visa exemption at Vietnamese embassies or consulates abroad. Those already in Vietnam can apply at the Immigration Department.

A visa exemption certificate is valid for a maximum of five years, the expiry of which must be more than six months before the passport and travel papers expire. Exemption certificates will be issued to eligible people entering Vietnam to visit relatives or for travel. Children appearing on their parents' passport can travel on the visa exemption issued to their parents. The decree will take effect on November 15.

#### Duty free purchases for passengers arriving by on Vietnamese carriers

According to Decree No. 39/2015/ND-CP, in addition to being able to buy duty free goods on flights leaving Vietnam, passengers on Vietnamese carriers flying into Vietnam will also allowed to buy duty free goods from November 1. Most foreign airlines flying to and from Vietnam provide duty free sales. The change in rules is to remove inequality between domestic and international carriers. Flight attendants are required to take note of the passenger's name and passport number when selling duty free.

## HIGHLIGHTS

### State earns \$196m from IPOs in 10 months



VIR - The State has earned VND4.4 trillion (\$196m) from selling its capital in 51 initial public offerings (IPOs) during the first 10 months of this year, the Hanoi Stock Exchange (HNX) reported yesterday.

The HNX also said that the State successfully sold all of the shares offered in 33 IPOs or 64.7% of the 51 IPOs, and earned the highest revenue from selling all of its 33.88 million shares in service provider Thang Long GTC One-member Company Limited, which sold for VND363 billion (\$16.4 million).

The State also received large revenue from selling entire stakes in IPOs of other state-owned enterprises (SOEs), including VND116.8 billion (\$5.2 million) from the Central Transport Hospital, VND119 billion (\$5.3 million) from the Viet Nam National Tea Corporation Limited, and VND278 billion (\$12.35 million) from the Viet Nam National Vegetable, Fruit and

Agricultural Product Corporation Ltd.

Among these government-funded units, the Central Transport Hospital was the first government-funded hospital that transformed into a joint-stock business unit.

In addition, the State also received VND767.4 billion (\$34 million) in the first 10 months of this year from selling more stakes in 19 SOEs that had been privatised before such as Da Nang Port JSCompany, the Sugarcane and Sugar Corporation No.1 JSC and Viet Nam Intimex Joint Stock Company.

### Anti-dumping lawsuits weigh down VN exports



VNS - Many products in Viet Nam are facing the risk of their market shares and revenues narrowing down due to anti-dumping investigations and lawsuits.

The number of anti-dumping cases concerning Vietnamese export products were caught in a tidal wave recently, according to

announcements of the Viet Nam Competition Authority.

Initial statistics showed that from the beginning of this year, nearly 20 anti-dumping lawsuits were filed against Vietnamese export products, bringing the total trade defence cases to nearly 100 so far. Products faced with anti-dumping lawsuits this year were mainly steel, fibre, bicycle tyres and tube, apart from medium density fibre boards and iron.

The most recent case was India initiating anti-dumping investigations concerning imports of AA dry cell battery (coded HS 8506.10) exported from Viet Nam, the competition authority announced last Thursday.

According to the Viet Nam Competition Authority, many import markets were paying increasing attention to Viet Nam for trade frauds, which would threaten exports.

Nguyen Phuong Nam, deputy director of the Viet Nam Competition Authority, warned that the steel industry faced the highest risk of anti-dumping lawsuits. In September alone, three anti-dumping lawsuits concerning steel products were initiated.

Nguyen Nam, director of An Nam Fibre Company in southern Binh



## HIGHLIGHTS

Duong Province said that regardless of the conclusion, anti-dumping investigations once announced would badly impact exports as other importers would take a stricter view.

According to the World Trade Organisation Centre under the Viet Nam Chamber of Commerce and Industry, with Viet Nam signing and negotiating a number of free trade agreements, anti-dumping cases were anticipated to soar and make it even more complicated.

"It is important that businesses enhance their awareness of trade defence," Nguyen Thi Thu Trang, from the WTO Centre said.

### Garment sector expecting big fourth quarter

VIR - Production in the garment and textile sector would be higher in the last quarter of this year as several domestic exporters have orders till the end of 2015, and even the first quarter of 2016.

Nguyen Tien Vy, director of the Ministry of Industry and Trade's Planning Department told an online meeting held in Ha Noi yesterday that the textile output last month reached 32 million sq.m, posting an 8% YOY increase.

In the first 10 months of the year, the output of natural fabric was estimated at 259 million sq.m, increasing 1.9% over the same period last year while that of synthetic fabrics was 547 million sq.m, reducing 5.6% from the corresponding period last year.

The export turnover of garments and textiles last month was \$2.2b, representing a 13.6% rise from the same period last year. The turnover from January to October posted a 10.4% YOY increase to 20%.

Vy said the ministry has asked relevant agencies to take drastic measures to resolve difficulties for businesses in the sector while seeking new markets, partners and orders. In addition, it has implemented measures to improve the business environment.

However, he said Viet Nam would find it hard to achieve this year's

export growth target of 10% due to the decreasing prices of several export products.

VN's trade deficit through the end of October this year increased to \$4.1b from \$3.9b in the first 9 months.

During the first 10 months, the total export value gained a YOY surge of 8.5% to \$134.6b, while the total import value had a YOY increase of 14.3% to 138.7 billion.

"VN should strive to reach the export turnover of \$15.2b each in the last two months of the year as total turnover in the 10-month period was only \$134.6b or 82% of the whole year's target," he added.

Tran Thanh Hai, deputy head of the Import-Export Department said the ministry has promulgated the Directive No 17/BCT to control trade deficit to less than 5%.



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