

VIETNAM

# BUSINESS REVIEW

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## ECONOMY

### Vietnam posts \$19.25b annual trade surplus with G7 countries

TuoiTrenews - Vietnam's trade ties with the Group of Seven countries has been growing rapidly over the last ten years, with the Southeast Asian country posting healthy trade surpluses annually with the bloc, the latest customs data show.

G7 is a group consisting of the world's seven most advanced economies, Canada, France, Germany, Italy, Japan, the UK, and the US.

Vietnam's total trade with the group has risen from US\$25.31 billion in 2006 to US\$95.42 billion in 2015, or an average annual growth rate of 17.1%, the General Department of Vietnam Customs said on May 29.

Vietnam logged a total trade surplus of US\$192.54 billion over the 2006-10 period with the seven-country bloc, or an average surplus of US\$19.25 billion per year, according to the Vietnam Customs. In the first four months of this year, Vietnam's total export and import value with the G7 topped US\$30.73 billion, accounting for 29.4% of the country's trade figure. Total trade surplus during this period was US\$13.21 billion.

Vietnamese Customs also underlined that Vietnam-Japan trade has been growing at a

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healthy rate over the last ten years, at an average annual rate of 13.9%. Bilateral trade between the two countries was valued at US\$9.93 billion in 2006, with this figure growing to US\$28.49 billion by 2015. Vietnam mostly sold its textile and garment products, footwear, furniture, seafood and raw materials to Japan, while importing back hi-tech machinery and equipment, automobiles and electronics.

Vietnamese Prime Minister Nguyen Xuan Phuc and his Japanese counterpart Shinzo Abe agreed to boost the two countries' strategic partnership in economy and defense, after they met in Tokyo on May 30.

The meeting marked the official visit to Japan of the Vietnamese leader, who also attended the G7 Outreach Meeting one day earlier. In their talks, the two heads of government discussed practical measures to cement the two nations' economic cooperation, investment and development.

Prime Minister Abe said Japan will continue providing Vietnam with official development assistance (ODA) for improving infrastructure and dealing with consequences brought about by climate change.

### Unemployment rate rises to 2.25% in Q1

TNN - As Vietnam's economy growth slowed down in the first quarter, unemployment rate has slightly risen to 2.25%, according to the labor ministry's new data. It was up from 2.18% recorded in Q4 last year.

Of more than 1.07 million unemployed people, about 28.8% were university and college graduates, up from 25.7% in the previous quarter.

The labor ministry also reported that 1.76% of the workforce were working less than 35 hours a week and wished to have more work. That compared to 1.61% in the last quarter of 2015.

State-owned businesses paid the highest salary with employees receiving an average of VND7.61 million (\$336) a month, up 22.1% from the previous quarter.

They were followed by foreign businesses who offered VND6.12 million (\$270) a month on average, an increase of 17%. Local private companies VND5.75 million.

Vietnam earlier this year raised the minimum wage for local employees by 13%.

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## BANKS & FINANCE

### Banks allowed to resume dollar loans to exporters



TNN - Vietnam's central bank has permitted commercial lenders to resume dollar loans to export businesses starting June 1, two months after it banned that activity, amid economic difficulties.

In a circular released on Friday, the State Bank of Vietnam said that local banks and subsidiaries of foreign banks are allowed to offer short-term dollar loans to export companies until the end of this year as long as these companies will be able to pay off their debts from their export revenues.

On March 31, the central bank tightened dollar lending in an attempt to prevent dollarization, stipulating that local banks and subsidiaries of foreign banks can only provide foreign-currency loans to importers and businesses with overseas investment.

Vietnam's economic growth slowed in the first quarter as the

country's income from crude and agriculture production dropped.

Gross domestic product (GDP) rose 5.46% in the first three months from a year earlier, according to the General Statistics Office. That compares with the 7.01% pace in the last quarter of 2015.

Official figures show that more than 28,500 businesses across the country ceased operations in the first five months of this year, a 26% year-on-year increase.

Meanwhile, more than 4,600 businesses completed dissolution procedures in Jan-May, up 20% from the same period last year.

The country has also seen the establishment of more than 44,700 new businesses in the first five months, up 24%.

### VN's top lenders jump on Forbes' biggest public firms



TNN - Vietnam's top lenders BIDV, Vietinbank and Vietcombank have made huge leaps on Forbes' latest list of 2,000 biggest and most powerful public companies around the world.

BIDV jumped 222 places from a year ago to rank at number 1,691. Its market value was estimated at \$2.6b and assets \$37.8b.

Vietinbank took the 1,808th position with the market value of \$2.8b and assets of \$34.7b, up 94 spots from last year.

Vietcombank ranked 1,843rd with assets of \$30b, up 142 spots. It had a much bigger market value of \$5.5b, according to Forbes.

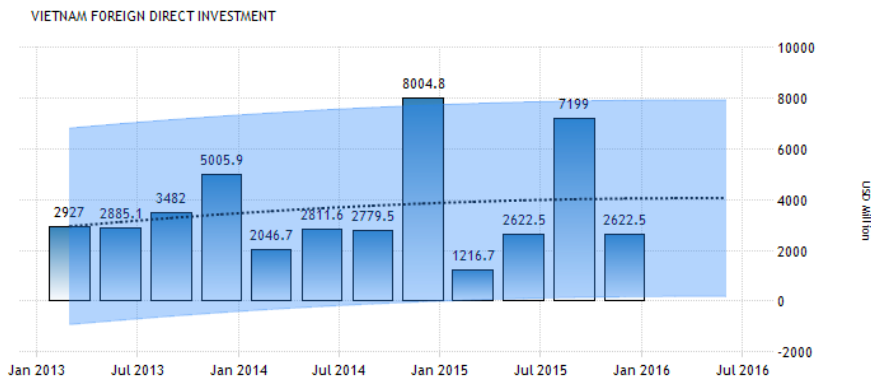
This year Chinese banks -- ICBC, China Construction Bank, and Agricultural Bank of China -- remained on the first top positions, despite the economic slowdown in the country, according to Forbes.

Featured companies from 63 countries around the world posted combined revenue of \$35 trillion, profit of \$2.4 trillion, assets of \$162 trillion and market value of \$44 trillion, it said.

All the four metrics were down from 2015, such as the decline of 8% in the combined market value, it said.

Businesses and their stocks have been pressurized by slowing global growth, collapsing commodity prices and declines in equity markets in the US, China and elsewhere, according to Forbes.

## INVESTMENT



SOURCE: WWW.TRADINGECONOMICS.COM | GENERAL STATISTICS OFFICE OF VIETNAM

### Foreign investment surges to over \$10b in Jan-May

TNN - Vietnam has been promised \$10.15b of foreign direct investment in the first five months this year, up a staggering 136% from a year ago, according to new data.

A statement from the Ministry of Investment and Planning said Vietnam licensed 907 new foreign projects worth \$7.56b. Another \$2.59b was registered for existing projects.

South Korea remained the top investor among 60 countries and territories by committing another \$3.42b, or nearly 34% of the pledges. Luxembourg came second with nearly \$1.25b, followed by Singapore with \$907m.

Manufacturing and processing sectors continued to be the top sector, accounting for 65% of the registered funds, followed by information & communication with nearly 13% & real estate, 5.3%.

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Investment worth \$5.8b was disbursed during the period, which was a 17.2% increase from last year. The FDI sector has been enjoying good business in Vietnam this year. It reported a trade surplus of \$9.1b in the first five months.

### Japanese investors to flock to central region

VIR - Viet Nam and Da Nang in particular could emerge as huge potential markets for Japanese businesses.

The city and the country could witness investment in the fields of hi-tech agriculture, hospitality, human resource training and service, as well as environment, information technology, energy and healthcare for the elderly.

This was announced by Noboru Kondo, CEO of Brain Works Group, at the 50th Asia Business Conference in Da Nang on May 26, which attracted the participation

of over 200 businesses from Japan and Viet Nam.

He said Vietnamese and Japanese businesses should develop a mutual understanding of their lifestyles, cultures and customs to boost co-operation.

"Local businesses should take advantage of the know-how of their Japanese partners to produce popular products in Japanese styles, instead of importing them from Japan. However, Da Nang was not yet as known to Japanese investors as HCM City and Ha Noi, so the central city has drawn only modest investment projects from Japan," Kondo said.

"Viet Nam and Japan should cooperate in agriculture and its supportive industries – a deficient sector – to boost the industrialisation process in the country. Viet Nam is perceived by Japanese investors as a friendly destination and a gateway to the Mekong region," Kondo added.

Kondo, who has been doing business in Viet Nam for the past 20 years, suggested Da Nang advertise more and build Japanese townships to attract Japanese investors and tourists.

He said Japanese investors would find potential industries in Da Nang in fisheries, retail, hi-tech farming,

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## INVESTMENT

hospitality and the restaurant business.

The vice chairman of the central city, Phung Tan Viet, stressed the city would accord top priority and ensure smooth conditions for Japanese investors by providing good infrastructure.

"We have considerably developed traffic infrastructure, such as deep sea ports and airports. Some big brand names from Japan, including Mabuchi Motors, Foster Electric, Keiki and Tokai, have invested in the city," Viet said.

He said the city, which is situated in central Viet Nam and at the end of East-West Economic Corridors linking Laos, Thailand, Myanmar and Viet Nam, would help boost exports and trade between local manufacturers and regional markets, as well as industrial centres in Binh Dinh, Quang Nam and Quang Ngai.

He said the city should also set up a one-stop shop and a Japanese desk to support Japanese investors in Da Nang.

The city organised an investment promotion week for members of the Japanese Business Association, also called Keidanren, and 120 businesses in Japan last year.

According to the Japan External Trade Organisation (JETRO),

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*Nam O Bridge project in Da Nang city is upgraded with fund from Japan government. Japanese investment flows are expected to flock to Da Nang and central Viet Nam in coming years.*

Japanese companies started 176 new projects, of which 40% were in the field of industrial manufacturing, last year.

Da Nang has launched a direct flight to Narita, Japan, with seven flights per week, and plans to open a new direct route to Osaka this August.

Mai Dang Hieu, vice director of Da Nang's Foreign Affairs Department, said the city has opened a liaison office in Tokyo and Yokohama to provide up-to-date investment and tourism information to Japanese businesses.

He said the city also hosted the annual Viet Nam-Japan Cultural Exchange every summer to boost tourism and exchange among Vietnamese and Japanese partners. A survey by JETRO pointed out that 66% of the 458 Japanese firms based in Viet Nam plan to expand

their businesses during the next one or two years.

Shoko Chukin Bank from Japan revealed that 40.7% of the 3,750 respondents from various businesses in Japan said they would invest in Viet Nam.

According to the latest report, Da Nang has attracted 305 foreign investment projects worth \$3.37 billion.

Japan ranks fourth among the top investors in Da Nang with over 90 projects worth \$500 million, of which 55 projects involve manufacturing, creating 30,000 jobs for the local people.

Exports from Japanese enterprises accounted for 37% of the city's total imports, while 30% of the city's industrial production value comes from Japanese FDI projects.

Route Inn Group from Japan will develop a coastal resort in Da Nang, the first of its kind in Viet Nam, with total investment of \$18m.

FPT Software Da Nang began its 10,000-Bridge Software Engineer (BrSE) programme in co-operation with Japanese partners.

In 2014, Da Nang also included Japanese language education in its curriculum at some high schools and colleges.

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## ENTERPRISES

### FPT Software forges tie-ups with Japanese Toppan Printing



Nikkei - Vietnamese information technology company FPT on Thursday signed a pair of cooperation agreements with businesses in Japan, including Toppan Printing.

FPT said the deal with Toppan will see it provide software outsourcing services in Japan, with plans to expand the arrangement to other Southeast Asian markets.

Another tie-up with publisher Tokyo Shoseki will involve digitizing textbooks, in line with a Japanese government move to allow digital texts in classrooms by 2020. The goal is to convert textbooks for both the Vietnamese and Japanese markets.

Japan is a strategic priority for FPT. The country accounted for nearly half of the company's global revenue last year.

In the first four months of 2016, FPT posted VND248 billion (\$11m) worth of overseas profit, up 58% on the year. Foreign revenue hit VND1.6

trillion, up 35%. In the Japanese market alone, revenue for the period grew 59% on the year to VND815 billion.

For the full year, the Vietnamese IT developer set a goal of a 40% increase in Japanese revenue, from \$26m last year. It is aiming for \$200m next year. It expects to provide some 8,800 jobs in both Vietnam and Japan, up from the current figure of 4,500.

Besides social, mobile, analytics and cloud endeavors in Japan, FPT is looking at opportunities related to the so-called Internet of Things and hopes to win more business process outsourcing orders from Japanese clients.

FPT faces competition from other Asian players, particularly companies from China and the Philippines. It is betting that the tie-ups with the Japanese printer and publisher will open doors and increase its brand recognition as a BPO service provider.

### Vietnam Airlines finalizes stake sale to ANA

TNN - Vietnam national carrier has officially inked a deal to sell a 8.77% stake to Japan's biggest airline All Nippon Airways, making it a strategic investor.

The contract worth more than \$109m was signed Saturday in Tokyo during a visit by Vietnam's newly-elected Prime Minister Nguyen Xuan Phuc.

Complete payment will be made by July 1.

The new partnership, with some representative from the Japanese airline joining Vietnam Airlines' board of directors, is set to help expand the carriers' networks.

The two planned to launch a program from October 30 to jointly operate 30 domestic routes in Japan and Vietnam, and ten routes between the two countries. The cooperation is not only limited to passenger transport, but also in cargo transport, in-flight and ground services, including aircraft maintenance.

Vietnam Airlines, which now controls nearly half of the domestic passenger air market, is offering 66 flights a week to Japan.

Following the deal, its state ownership will be cut to 87.73%.

Vietnam Airlines has plans to to sell more chunks of shares to reduce the rate to 75%, & then 65%, according to local media reports.

The carrier has divested from 13 non-core businesses.

## MARKET & PRICES

### Vietnam may remove cap on baby formula prices: report



*A shelf of baby formula in a Ho Chi Minh City supermarket*

TNN - Vietnam will possibly remove a price cap imposed on baby formula products two years ago in response to requests from foreign investors.

At a meeting with the US Trade Representative Michael Froman on Tuesday, Finance Minister Dinh Tien Dung said the government will consider lifting the ceiling this July, the finance ministry's website reported.

Dung was responding to concerns about Vietnam's control over dairy products' prices, it said.

The European Chamber of Commerce in Vietnam has more than once urged the government to reduce and then stop intervening in markets with administrative measures, according to local media.

Vietnam started applying the pricing policy in June 2014 following

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media reports and public complaints that the local prices of baby formula were much higher than those in other Southeast Asian countries. They also said the prices kept increasing regardless of drops in input costs.

By the end of March, the finance ministry had controlled the wholesale prices of 831 brands of producers such as Japan's Meiji, the Netherlands' FrieslandCampina, the US's Abbott and Mead Johnson, and Vietnam's Vinamilk, according to official figures.

Under existing rules which are slated to last until the end of this year, retailers can add a maximum markup of 15%.

### Cargill confident about Vietnamese market



VOV - US-based agribusiness conglomerate Cargill will continue investing in building animal feed plants & other production projects in VN, Jorge Becerra, Managing Director for Cargill's Animal Nutrition Business in VN, said at a press conference on May 30.

Vietnamese agriculture, despite current difficulties due to drought,

has prospects in the long term, he explained.

Serena Lin, President of Cargill Feed & Nutrition, said Vietnam is among the best markets for animal feed production and sales that her company has entered worldwide.

Cargill has recently inaugurated an \$8.5m plant in the central province of Nghe An, which is capable of turning out 66,000 tonnes of animal feed per year.

This is the 11th plant opened by the company in Vietnam, with the construction of its next plant in southern province of Binh Duong expected to be completed by the end of 2017. Cargill is channelling \$30m into the 12th plant, which will be equipped with the latest technologies and produce 260,000 tonnes of animal feed per year.

Previously, in the first quarter of 2016, the company installed a new production line worth \$8m at its plant in the Mekong Delta province of Dong Thap.

Cargill is an international producer and marketer of food, agricultural, financial and industrial products and services. Founded in 1865, the privately held currently company employs 149,000 people across 70 countries.

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## MARKET & PRICES

### Is there a high-end apartment oversupply in HCMC?

VNN - The reports about the real estate market in the first quarter of the year released by consultancy firms all show a sharp increase in the supply of high-end apartments in HCMC. This has raised concerns about oversupply in the near future. The reports, while showing differences in figures about the numbers of successful transactions, all came to a conclusion that the high-end apartment supply is abundant.

According to CBRE, high-end apartments accounted for 41% of the total apartments sold in the last three months in HCMC, while mid-end apartments were 39%. It is estimated that 18,200 high-end and mid-end apartments would be put on sale this year, while 41,000 products of this kind would be on offer the next year.

Meanwhile, apartments with more reasonable prices, between VND600 million and VND1.2 billion, are now in short supply.

According to Cushman & Wakefield, A-class apartments account for 33% of total apartments ready for sale, while B-class 40%.



And according to Savills, A-class apartments have the highest absorption rate, about 23%.

Nguyen Tri Hieu, a renowned banking expert, believes that the HCMC real estate market is now full of high-end apartment projects because investors put high hopes on Vietnam's TPP (Trans Pacific Partnership) membership and other free trade agreements (FTAs).

Most people are buying apartments at this moment just for investments, while very few people buy for accommodations. In other words, real demand is not so high.

"Investors have the right to keep a high hope that the high-end market segment would bring high profit, but it is necessary to reconsider liquidity," Hieu said.

He has warned that if fiscal tightening policy is not applied,

redundancy would be seen later this year, which would be followed by a real estate bubble by 2017.

Dang Hung Vo, former Deputy Minister of Natural Resources and the Environment, also thinks the supply has increased sharply because investors placed high expectation on the policy on allowing foreigners to buy houses in VN. Though the new policy can help stimulate demand, the number of foreigners buying houses remains modest because not many people have the financial capability to buy houses, esp high-end apartments.

However, Vo does not think 'indigestion' would occur in the real estate market. The current policies on tightening lending to fund real estate purchases and controlling supply would also help.

## LEGAL UPDATES

### Banks to tighten real estate loans next year under new rules



TNN - Vietnam's central bank has announced new restrictions on real estate lending in an attempt to prevent bubble risks in the property sector.

In a circular released on Friday, the State Bank of Vietnam said it will raise the risk weight of loans to real estate businesses from 150 to 200% on January 1, 2017.

According to the circular, commercial banks will also be prohibited from using more than 50% of short-term deposits for medium and long term loans from January 1, 2017. The current rate is 60%.

The ratio will be reduced to 40% from January 1, 2018.

These amendments are not as strict as the central bank's original plan, which intended to raise the risk weight for real estate loans to 250% and prohibit banks from using more

than 40% of short-term deposits for medium and long term loans.

Earlier, property companies and housing officials and experts requested the central bank to cut real estate lending "gradually," otherwise the market will be badly affected.

Dr. Bui Quang Tin from HCMC Banking University in March urged the central bank to cooperate with other relevant agencies in creating favorable conditions for other funding channels, such as real estate trust funds and housing savings funds, to be established.

Vietnam's real estate sector currently depends heavily on loans from banks and funds from customers. And with home prices remaining beyond the reach of most of the population, many homebuyers also need to take out large loans from banks.

Outstanding loans to the sector grew nearly 26% to VND393 trillion (\$17.42b) last year, according to the central bank.

### The enterprise development policy to 2020

VLO - Resolution No. 35/NQ-CP dated May 16th, 2016 of the Government on enterprise development policy to 2020.

This Resolution is to designate Ministries, branches to perform some tasks and measures to support enterprise development to 2020, especially small - and medium -size enterprises (SME)

Accordingly, the Ministry of Finance shall take charge of these noticeable tasks and measures:

- Elaborating a resolution to remove tax - related difficulties for enterprises within the year 2016;
- Dealing with outstanding debts of enterprises that are in difficulties due to objective events;
- Studying and proposing measures for reducing SME income tax rates;
- Proposing to offset the income earned from property transfer against that from business;
- Propose to reduce 50% of personal income tax of workers in the fields of IT, hi-tech or agriculture and agricultural hi-tech processing, etc;

## HIGHLIGHTS



### StoxPlus Executive Breakfast on VN consumer finance market 2016 set for launching

VIR - StoxPlus, a leading financial and business information corporation in Vietnam and an associate of Nikkei Inc. and QUICK Corp (Japan), will arrange the "Executive Breakfast on Vietnam Consumer Finance Market 2016" on June 2, 2016.

The Vietnamese consumer finance market has experienced the fastest growth in 2015 over the past five years.

Last year was also marked with significant changes in the consumer finance market competition with many closed M&A deals and the rising of new players. The agenda will center on current versus alternative consumer finance products, digital versus

traditional sales channels, rising of FinTech, and market potential.

The event will attract nearly 25 high-profile executives from local and international banks, consumer finance companies, e-wallet and payment companies, as well as investors and investment funds.

This will be an ideal platform for consumer finance players to get an updated view on the current state of Vietnamese consumer finance market via StoxPlus analysis and research, and to have open discussions on hot topics of the industry.

Industry experts also have a valued chance to network and understand others' perspectives on the development trends and challenges of Vietnamese consumer finance market.

StoxPlus provides comprehensive ready-to-use financial information platform, business information portal, standard and customisable research reports and value added services via various devices such as PCs, websites and mobile devices to help customers analyse and make informed decisions.

Its customers comprise of local and financial and international investment institutions such as securities firms, investment funds, commercial banks and insurance companies. It also includes corporate executives, import-export traders, NGOs and individual investors, both domestic and overseas.

### Vietnam plans \$5.5b expansion to double Hanoi airport capacity

May 30 Vietnam is planning a \$5.5-billion expansion of Hanoi's airport to double its capacity by 2030, the government news website reported on Monday.

Noi Bai International Airport likely will be over-stretched by 2019 due to strong passenger growth, the director general of the Civil Aviation Administration of Vietnam told the government news website. Vietnam is among the world's 10 fastest growing aviation markets in

## HIGHLIGHTS

percentage terms, and is expected to double in size each decade over the next 20 years, according to a report by the International Air Transport Association late last year. The government added a second terminal to Hanoi airport that almost doubled its capacity to 25 million passengers a year at the end of 2014. The new expansion will boost capacity to 50 million people a year by 2030.

Details of the plan are not yet finalised and are subject to government's approval, Lai Xuan Thanh told the website.

The Communist country's air passenger traffic grew 7.9 percent last year to 20.7 million, while growth in the first five months of 2016 leaped 30.9 percent to 17 million, government data showed.

Such growth has benefited domestic airlines like VietJet, which last week agreed a firm order of 100 Boeing planes worth \$11.3 billion at list prices, making it one of Southeast Asia's fastest-growing low-cost carriers.

The country also plans to build a new \$16-billion airport near the economic hub of Ho Chi Minh City as an eventual competitor to sprawling airline hubs in Bangkok and Singapore, on a site that is bigger than both combined.

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Vietnam's aviation market has been supported by economic growth of over 5 percent annually since 1999 and competition among domestic airlines that makes flights more affordable to Vietnamese and foreign tourists.

### Japanese spot rising star of Vietnam's realty market

VIR - Japanese investors are continuing to take advantage of Vietnam's real estate market opportunities with new projects from both new and existing developers.

Sanyo Homes Corporation, a housing developer from Japan, has recently entered Vietnam's real estate market through a partnership with a member

company of Hoa Binh House Joint Stock Company.

Sanyo Homes also inked an investment partnership agreement with locally-owned Tien Phat Real Estate Investment Corporation in Ho Chi Minh City to begin developing a property project named Ascent Lakeside.

The project's apartments and offices are expected to be finished and available for sale in November 2016. Ascent Lakeside's quality is guaranteed by the prestigious Vietnamese and Japanese brands involved in the project.

According to Yasusuke Tanaka, president of Sanyo Homes, Ho Chi Minh City's housing market has great potential. "We see the co-



*Japanese investors are capitalising on the lucrative potential in Vietnamese property*

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## HIGHLIGHTS

operation with Tien Phat as our first step on the road to developing a broader strategy in Vietnam," Tanaka said.

Prior to Sanyo's entrance into Vietnam's real estate market, many other Japanese investors made similar moves here. Analysts have noted that more and more Japanese investors are looking at the real estate market here, despite recent difficulties due to low demand.

Last October, a shareholders' meeting at locally-owned Nam Bay Bay approved regulations to fulfill the commitments it made with its Japanese partner, Creed Group. Earlier, Nam Bay Bay announced a programme with the Creed Group under which both would pour investment capital into Nam Bay Bay's projects and share profits.

Creed Group has committed to injecting VND600 billion (\$27.27 million) into the projects by purchasing convertible bonds issued by Nam Bay Bay. Besides the City Gate Towers, Creed Group has undertaken two other projects – NBB Garden II in Ho Chi Minh City's Binh Chanh district, and NBB Garden III in district 8.

The Japanese investor is contributing 50 per cent of the total investment capital into every

project. The NBB Garden III is projected to have an investment capital of VND3.8 trillion (\$172.72 million).

Two months previous to the news about Creed Group's investment deal in Nam Bay Bay, Nikkei Inc. reported that Daibiru, a Japanese real estate group, wrapped up a deal to buy a CornerStone Building in Hanoi for \$61 million.

This was not the first investment deal of Daibiru's in Vietnam. In 2012, Daibiru bought a large amount of shares in a company that owns Saigon Tower at No29 of Le Duan Street in Ho Chi Minh City's district 1. The seller was an investment fund under the Chinese Chiaphua Group. The value of the deal remains a secret.

Experts from Cushman & Wakefield Vietnam noted that the finance investors' biggest interest was in operational assets with a stable cash flow.

Toshihiko Muneyoshi, managing director of Creed Group, said that the demand for housing in Vietnam was high due to a young population and rising incomes.

"The Vietnamese market now is similar to Japan's over 30 years ago and the middle segment will grow stronger. Therefore, the firm plans to focus on this segment and is

seeking more partnerships in Vietnam," Muneyoshi said.

Recently Hankyu Realty Co. Ltd and Nishi-Nippon Railroad Co. Ltd have also spent hundreds of billions of dong on a 50-per cent stake in the Fuji Residence project in Ho Chi Minh City's district 9.

The project, initiated by Nam Long Investment Corporation, is the second that the three companies have collaborated on. The first project, Flora Anh Dao, also in district 9, has sold 85 per cent of its apartments.

Toshihiro Matsuo, general manager of the Housing Business Department of Nishi-Nippon Railroad, said that they were interested in affordable housing and saw this segment's vast potential in Vietnam.

Many other investors had also recently visited Vietnam to research potential investment opportunities. Among them were Oyasogo Co and TNK Travel.

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### **SEIKO IDEAS - 10<sup>th</sup> Anniversary**

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