

VIETNAM

# BUSINESS REVIEW

Vol 41, October 19<sup>th</sup> 2016

*Japan firm to raise 5,000 beef cattle in HCMC*



## **INSIDE THIS ISSUE**

### **HIGHLIGHTS**

Death of Samsung's Galaxy Note 7 set to hurt Vietnam exports  
Vietnam works with Russia to realize "low-cost" car dream  
Vietnam's sole private carrier to launch IPO on HOSE this year  
High-tech application agricultural zone in Phu Yen province

### **ECONOMY**

Public debt clocks proposed in 3 large cities  
Vietnam to spend \$1b on imported fruits and vegetables

### **FINANCIALS**

Foreign investors massively divest from big Vietnamese firms

### **INVESTMENT**

Strong FDI presence in industrial realty sector  
Japan firm to raise 5,000 beef cattle in HCMC

### **ENTERPRISES**

Vinamilk and FPT retail make an alliance  
Japanese disguise helps sell "Made in China" in Vietnam  
BRG, SeABank, Coca-Cola sign MoU

### **MARKET & PRICES**

70% of fish sauce found with excessive arsenic content

### **LEGAL UPDATES**

HCMC pulling over new real estate policies



## ECONOMY

### Public debt clocks proposed in 3 large cities



VNN - National Assembly's deputies think that it is necessary to set up public debt clocks in the central areas of large cities.

Bui Quang Tin, a renowned economist, applauding the Ministry of Finance's idea to publicize information about central and local budgets, said the new regulation on information exposure in the legal document drafted by the ministry was in line with global integration.

He said that information exposure must be carried out in a more substantial way, while transparency must be associated with statistics standardization – Vietnamese statistical standards at first and then international standards.

However, an analyst warned that this would not be simple to do because there are many problems in Vietnam's statistical methods. The most worrying problem is that statistics agencies may be influenced by state management

agencies or policymakers which may distort statistical figures.

Tin, who is a finance expert, said it was difficult to find official information from Vietnamese management agencies and statistics are not updated regularly.

"I have to use statistics from foreign sources for my research," he said.

Tin, together with other experts, have asked to create debt publication as the responsibility of management agencies.

They said it is necessary to set up public debt clocks in three large cities – Hanoi, HCMC and Da Nang, while emphasizing that this is just one thing that needs to be done in the process towards budget transparency.

Hoang Van Cuong, a National Assembly Deputy from Hanoi, also affirmed that publicising budget revenue and expenditures, including the public debt, is a must.

And it is also necessary to give stronger warnings about the current situation of the public debt.

Cuong emphasized that the warnings must be given to policymaking agencies, state management agencies and agencies which hold the 'key' to the state budget coffers, so that they think carefully before making

decisions which may put pressure on the public debt.

Do Duc Hong Ha, a National Assembly's Deputy from Hanoi, said he will put forward the setting up of a public debt clock at discussions in the National Assembly's upcoming working sessions.

### Vietnam to spend \$1b on imported fruits and vegetables



DTI - It is estimated that \$1b will be spent to import fruits and vegetables from Thailand and China this year.

Despite being an agriculture country, Vietnam is spending a huge amount of money on importing fruits and vegetables to meet local demand.

Statistics from the General Department of Customs showed that for the first 9 months, Vietnam imported \$650m worth of fruits and vegetables, a 42% increase compared to the same period last year. It is predicted that \$1b would be spent on fruits by the end of the year.

## FINANCIALS

### Foreign investors massively divest from big Vietnamese firms



VNN - Investment funds divesting part or entire capital from large companies in Vietnam are doing so to realize profit from their investments.

Since last August, many investment funds have withdrawn capital from large enterprises in different sectors. On September 13, Deutsche Bank AG, London Branch sold more than 3.9 million shares of Saigon Securities Company (SSI). After the transaction, the volume of SSI shares held by Deutsche Bank AG decreased from 27.5 million shares, corresponding to 5.74% of capital to 23.6 million shares, equivalent to 4.93%.

Earlier, in March and August, Deutsche Bank AG sold a total of nearly 6.6 million shares of SSI.

Red River Holding (RRH), an investment fund established by Artemis group in 2008, owned by the French billionaire François Pinault, sold 3.6 million shares of FPT.

RRH is no longer a major shareholder of FPT as its ownership fell from 24.7 million shares (5.38%) to 21 million shares (4.58%) as of September 9.

RRH also registered to sell 2 million shares of Vinh Hoan seafood processing company (VHC), and to transfer more than 3 million shares of Minh Phu Seafood (MPC) to its subsidiary.

Previously RRH poured \$243 million into 27 companies in Vietnam. However, this fund has divested from Tien Phong Plastics (NTP), Vicostone (VCS), Vinasun (VNS), Hoa Phat Group (HPG), Everpia (EVE), Ngoc Nghia Plastics (NNG) because 2017 is scheduled to be the closing date of the fund.

Foreign investors also withdrew capital from one of the giants in the retail sector of Vietnam - Mobile World (MWG).

Mekong Enterprise Fund II successfully sold 2.7 million shares of MWG on September 21, bringing the total number of shares sold since the beginning of the year to 5.2 million shares. This fund now holds 10.8 million shares at MWG, equivalent to 7.39%.

So far this year, NTAsia Discovery Master Fund has sold 1 million shares of MWG, and CDH Electric

Bee Limited also sold 4.4 million shares.

On September 15, Wareham Group Limited - an investment fund related to Dragon Capital - was no longer a major shareholder of Hoa Phat Group (HPG), after its ownership rate decreased to 4.98% after selling 200,000 shares of HPG.

Wareham Group Limited currently holds nearly 6.4 million shares at HPG, equivalent to 0.75%.

In early September, ASPL V6 Ltd. sold 1.7 million shares of Nam Long Investment Joint Stock Company (NLG), to reduce the ownership rate to 2.75% ownership (3.9 million shares).

Earlier, in April and August, ASPL V6 Ltd sold nearly 4.2 million shares of NLG.

Meanwhile, on September 21, Vietnam Property Holding continued to sell shares of the Industrial and Urban Development JSC (D2D) to reduce its ownership to 5.15% of capital, equivalent to 549,210 shares.

Also, this year Mekong Capital planned to sell shares of Phu Nhuan Jewelry (PNJ), Mobile World, FPT, Nam Long, and ITC this year.

Foreign investment funds sold their shares in big firms of Vietnam to realize profits from their investments.

## INVESTMENT

### Strong FDI presence in industrial realty sector



VIR - The industrial real estate market has picked up pace in 2016 as foreign investment continues to pour in Vietnam.

In the first half of 2016, six newly operational industrial zones (IZs) supplied approximately 700 hectares of leasable area, bringing the total to 218 IZs with an area of 59,700ha, and a leasable area of approximately 41,000ha, according to Savills Vietnam.

Neil MacGregor, managing director of Savills Vietnam, said that IZs are performing well with very high take-up rates. The total leased area in the first half of 2016 was 28,500ha, increasing 5% since the end of 2015.

Despite supply growth, occupancy increased to 70% due to the new wave of foreign direct investment (FDI) inflows.

He added that the FDI figure is different from the previous cycle as FDI capital is quickly disbursed. In the last cycle, many projects were

registered but money did not enter Vietnam.

In addition, the manufacturing sector is very strong in Vietnam due to low-cost labor. The country also moved up the value chain to develop electronic and hi-tech products electronic and hi-tech products by welcoming Canon, Intel, Panasonic, and Samsung.

Because of the sharply increased demand for industrial space, Savills Vietnam has received many requests from foreign investors who want to find good industrial land for their factories. These foreign manufacturers need to find land that suits their purpose, like close proximity to international ports and airports, as well as a convenient location to tap into low-cost or skilled labor.

Thus, the firm intends to open a new service to meet the increasing demand.

MacGregor also highlighted that some industrial developers are now willing to take on some risks by building warehouses and factories for lease.

Most recently, Japan's Daiwa House Industry plans to increase the size of its rental factories in Long Duc IZ in the southern province of Long An, almost fourfold by March 2019-aiming to capture the

demand from small-to medium-sized businesses looking to enter Vietnam, as reported by Nikkei Asia Review.

The Japanese homebuilder has a 40% stake in Long Duc IZ. Currently, it manages 7,000 square meters of the rental factories. By fiscal year 2018, the company plans to construct six more high-rise buildings, expanding floor space to 26,000sq.m with projected capital of around 2 billion yen (\$19.7m).

Previously, IZ development in Long An was stagnant. However, the province has increased interest, with 16 operating IZs now supplying approximately 3,000ha of leasable space. In the first six months of 2016, Long An received approximately \$350m in registered FDI, the highest among the Mekong Delta provinces. Nevertheless, as rents are relatively high, the average IZ occupancy in Long An is still low, at less than 60%.

According to a recent report by Savills Vietnam, Binh Duong and Dong Nai have consolidated their positions as industrial centers of southern Vietnam, with each province attracting approximately \$1b to the processing and manufacturing sectors in the first half of 2016.



## INVESTMENT

Meanwhile, IZs in Ho Chi Minh City have the most convenient locations and therefore, the highest rents amongst the southern provinces. Conversely, as a result of higher labor costs, newly developed IZs are pressed to increase occupancy.

### Japan firm to raise 5,000 beef cattle in HCMC

**Bizlive** - A Japanese cattle-breeding company will partner with a local firm to raise about 5,000 beef cattle in Vietnam.

Cattle-breeding corporation Ushichan Farm Co., based in Japan's Ishinomaki, Miyagi Prefecture, will partner with a state-run Vietnamese company to begin raising about 5,000 beef cattle in Vietnam by the end of this year at the earliest, The Yomiuri Shimbun reported.

The Vietnamese partner, Saigon Agriculture Incorporation (SAGRI), will prepare a 500-hectare ranch, cattle barns and about 5,000 young cattle in Ho Chi Minh City.

Ushichan Farm will provide such techniques as breeding management that uses individual identification numbers and how to mix feeds.

The Japanese company, which was hard hit by the 2011



earthquake, will receive \$3 million annually in consultation fees.

According to a statement filed on SAGRI's website, the beef farm will be located in Ho Chi Minh City's suburban district of Cu Chi. Beef from the Vietnamese ranch will be sold in local supermarkets and other stores starting around 2018.

"Such a large-scale investment in agriculture in Vietnam is rare. It indicates how high the Vietnamese side's expectations are," said an official of the Japan External Trade Organization (JETRO).

Demand for meat in Vietnam has been on the rise, along with its rapid economic growth.

Vietnam spent \$194 million to import 122,000 tons meat in 2014, with chicken meat accounting for 74% of import volume and 50% of value, according to customs data. Meat consumption in Vietnam was 34.2 kilograms per capita in 2014, according to FAO data. That volume put Vietnam on the fourth position among the largest meat-consuming countries in Southeast Asia, but still below the world's average of 42kg/capita/year. Red meat accounted for just 9.2% of meat consumption volume in 2011.

## ENTERPRISES

### Vinamilk and FPT retail make an alliance



Nikkei - Vietnam Dairy Products (Vinamilk) and FPT Retail, a subsidiary of FPT, the country's largest IT services provider, hope to borrow from each other's customer base.

The two companies on Tuesday announced a partnership toward that end. They even admitted that theirs will be an "uncommon partnership."

They will launch a pilot program at two FPT outlets in Ho Chi Minh City. An FPT representative told the Nikkei Asian Review that the trial could last six months before being rolled out other FPT locations across the country.

FPT Retail has more than 200 consumer electronics outlets. Now a select few of those shops will also set up booths from which to sell dairy products.

Vinamilk hopes its new partner can give it some insight into both operating a retail network and taking care of distribution.

[www.seiko-ideas.com](http://www.seiko-ideas.com)

If all goes to plan, it "will be a win-win partnership," according a statement released by FPT.

Vietnam's leading dairy products seller plans to add 100 outlets next year, including some in partnership with FPT Retail.

Consumers in the country of 93 million seemed surprised by the unlikely alliance. But Vinamilk is looking for new sales avenues to help it maintain annual sales growth of over 10%.

It is being besieged by new players -- Dutch Lady, Mead Johnson, Nestle, Abbott, TH True Milk, IDP, and Nutifood -- entering its market. So why not set up booths in consumer electronics centers? "This is an uncommon partnership," a Vinamilk representative told Nikkei, "but we will try any possible way to reach consumers."

The representative mentioned that Vinamilk hopes to take advantage of FPT's "good locations" across the country.

An executive at a competing dairy called the move wise in that it will give Vinamilk a new sales channel and the opportunity to pair itself with FPT's strong brand.

Earlier this month, Vinamilk announced it would start selling stuff online, pioneering Web sales of dairy products in the country.

### Japanese disguise helps sell "Made in China" in Vietnam



Nikkei - 3 variety shops that opened in central Hanoi in mid-September have signs that might look familiar to many consumers around the world: two red squares containing Japanese characters and Latin alphabet letters in white.

One could be forgiven for believing they were genuine outlets of the popular JP clothing store Uniqlo. Inside, however, they resemble more of a cross between lifestyle retailer Muji and a dollar store.

Though they have an undeniably Japanese look, with everything from the signs on the shelves to the price tags written in JP, almost all the products are made in China.

This may be a well-executed marketing strategy; many Vietnamese have a certain fondness for Japan. But it is somewhat misleading.

According to the explanation written on the back of the products, the store, called Miniso, is run by its namesake company based in

[Back to top](#)

## ENTERPRISES

Tokyo's upmarket Ginza shopping district. The company operates around 80 stores, mainly in China. Hanoi outlets are the first in VN.

When asked if Miniso is a Chinese company, a 28-year-old clerk at one of the Vietnam stores said, as though reading from a manual, that it is produced by a Japanese company and the goods are made in China. If Miniso is Chinese, so is an iPhone, the clerk added.

The lineup of goods, food, cosmetics and stationery could be the same as in any dollar store, yet the packaging resembles what you would find in Muji or Uniqlo. Their prices are not cheap, considering the country's average standard of living. A bottle of lotion sells for 130,000 dong (\$5.82).

Stores in Vietnam are flooded with Chinese goods. Many are of questionable quality and numerous problems have been reported, such as food poisoning and a faulty battery exploding. Strained Vietnam-China relations in recent years may also have contributed to mistrust of Chinese products.

It appears a little creative rebranding can go a long way to keeping sales figures up.

### BRG, SeABank, Coca-Cola sign MoU



VNE - The South East Asia Commercial Joint Stock Bank (SeABank), the BRG Group, and Coca-Cola Vietnam recently signed a memorandum of understanding (MoU) on comprehensive cooperation.

The MoU aims to exploit and develop advantages in business, matching each side's business strategy towards being strategic partners into the future.

Each side commits to using the other's products and services and to increase opportunities for cooperation to exploit potential, bring business effectiveness, and contribute to increasing the position and competitiveness of each party. Coca-Cola prioritizes SeABank as the provider of financial and banking solutions to the company and its distributors and contractors and commits to supporting BRG's Intimex supermarkets to become important customers, backing the Group's environmental protection activities at hotels through using

recycled packaging, and giving preference to the products and services of BRG's subsidiaries.

SeABank will consult and provide professional and prioritized financial and banking services and products to Coca-Cola's employees, partners, distributors and contractors, such as payment accounts, payroll accounts, products and services for individuals, credit, and savings, etc. BRG Group will use Coca-Cola as the supplier of its subsidiaries.

"The MoU will be an important base for BRG, SeABank and Coca-Cola to exploit each side's potential for effective business activities," said Ms. Nguyen Thi Nga, Chairwoman of the BRG Group.

According to Mr. Vamsi Mohan, CEO of Coca-Cola Indochina and Myanmar, the MoU marks a big step in committing to expand sustainable investment, building a complete value chain in the business and supporting the social activities of Coca-Cola in Vietnam. By sharing such values with BRG and SeABank, Coca-Cola believes it will contribute to promoting the business activities of all sides and bring benefits to customers.



## MARKET & PRICES

### 70% of fish sauce found with excessive arsenic content



Talk Vietnam - Nearly 70% of fish sauce samples taken in a recent survey by the Vietnam Standards and Consumers Association (Vinastas) have been found to contain excessive amounts of arsenic, the non-profit organization said Monday.

Nearly 70% of fish sauce samples taken in a recent survey by the Vietnam Standards and Consumers Association (Vinastas) have been found to contain excessive amounts of arsenic, the non-profit organization said Monday.

The survey covered 150 samples produced by 88 different fish sauce manufacturers and found that only 16.67% of the products met Vietnamese standards, Vinastas told reporters in Hanoi.

According to the test, 67.33% of the samples contained more than the maximum allowable arsenic content limit of 1mg per liter. Amounts found in the surveyed products ranged from 1 to 5mg/l.

[www.seiko-ideas.com](http://www.seiko-ideas.com)

The samples were collected from fish sauce products available at trade centers, small markets and food stores in ten different provinces and cities.

The test focused on five parameters, among them nitrogen and arsenic contents and labeling, with 83.33% of the samples failing to meet standards on at least one parameter, according to Vinastas.

The news of excessive amounts of arsenic in fish sauce, a daily condiment in Vietnamese cuisine, should leave the public shocked.

Vuong Ngoc Thuan, Vinastas deputy general secretary, reassured a press conference that the arsenic found in fish sauce is in its organic form.

According to the World Health Organization, arsenic is highly toxic in its inorganic form, and long-term exposure to arsenic from drinking-water and food can cause cancer and skin lesions. It has also been associated with developmental defects, cardiovascular disease, neurotoxicity and diabetes.

"There were no traces of inorganic arsenic found in the surveyed fish sauces," Tuan said.

"So it can be confirmed that Vietnamese fish sauces remain safe."

However, Tuan added that the manufacturers' incorrect labeling of the protein content means Vietnamese consumers are overpaying for fish sauce.

The Vietnam Food Administration said it is also reviewing the fish sauce market and will report their results to the government.

Fish sauce, an amber-colored liquid extracted from the fermentation of fish with sea salt, is a must-have condiment for Vietnamese families, with 95% of households using the product in their meals, according to Vinastas.

Vietnamese people consume some 200 million liters of fish sauce a year, but only 50 million liters of it is produced in the traditional way through fish fermentation. The rest is industrially manufactured by mixing fish essence, flavoring, coloring, preservatives and sweetener.

In July another Vinastas survey found that more than 30% of coffee consumed daily in four Vietnamese provinces and cities had a low caffeine content.

The survey indicated that 30.04% of the samples taken had a caffeine content of less than one gram per liter. Five samples were found to contain no caffeine at all.

[Back to top](#)

## LEGAL UPDATES

### HCMC pulling over new real estate policies



VNE - HCMC Department of Construction (DoC) has recently proposed to the city's People's Committee a number of practical solutions for the city's Property Market Development Project in the 2016-2020 Period, Orientation to 2025, and Vision to 2030.

By 2025 the average size of each household is expected to have fallen, with a subsequent rise in demand for housing and other types of real estate.

The DoC requested the establishment of a General Department of Housing Development to manage national housing development strategies and a department under the city's People's Committee managing local housing development.

It has also sent proposals to the National Assembly on effective policies for domestic and foreign investment attraction in the property market and investment in

urban infrastructure focused on regional links.

A multi-center urban area should be developed, it proposed, together with a modern transport network of railways, metro lines, and rapid bus transit networks, aimed at connecting satellite urban areas with central urban areas and gradually reducing the high housing density found in certain central areas.

Diversified forms of real estate products have been proposed, boosting the condominium segment by setting a target of 30 per cent of new housing each year to be in the segment, increasing the proportion of rental housing, and encouraging social housing development.

The development of housing and other real estate products will also be promoted based on the redevelopment of existing urban areas, with a goal of over 50 per cent of new housing built annually to come from such projects.

The development of new types of real estate will be encouraged, like housing for rent, officetels, and condotels.

The city has attracted a large number of investors and workers from around the world and from other provinces and regional

countries that share similarities in economics, urban development and population, according to the DoC.

The department has proposed the establishment of a Property Market Information Center under the city's People's Committee to manage, exploit data, complete and standardize market information, and create a property market assessment index to provide official information to the market.

The government should complete tax provisions to limit speculation in the housing market. DoC recommended cutting the tax rate on property transactions and that consideration be given to a pilot of new financial tools, for example property trust funds and housing saving funds, etc.

The report includes three main parts: an evaluation of the city's current real estate market since 2006, an analysis of potential and the development of forecast for the city's property market, and measures for sustainable development

Mr. Tran Du Lich, former Deputy Head of the Ho Chi Minh City delegation at the National Assembly.

## HIGHLIGHTS

**Death of Samsung's Galaxy Note 7 set to hurt Vietnam exports**

Bloomberg - The fallout from Samsung Electronics Co.'s dramatic move to end production of its Galaxy Note 7 smartphone is set to spread to Vietnam, hurting an economy already hit by drought and lower oil prices.

"Samsung's decision to kill off Galaxy Note 7 will certainly impact Vietnam's exports this year," since the company's exports represent about 20% of the nation's shipments, said Nguyen Mai, chairman of Vietnam's Association of Foreign Invested Enterprises. The recall of 2.5 million smartphones after complaints of exploding batteries contributed to a \$1.1b decline in exports in September, according to the statistics office.

Samsung helped to turn Vietnam into an electronics manufacturing hub almost single-handedly with \$15b in investments from the technology giant and its affiliates, including battery-maker Samsung SDI Co. The South Korean company is Vietnam's biggest exporter, shipping about \$33b of electronics last year.

Vietnam now faces the loss of millions of dollars in exports at a time when its struggling to meet its

[www.seiko-ideas.com](http://www.seiko-ideas.com)

**Samsung Calling**

Vietnam's exports of phones and parts have soared



Source: General Customs of Vietnam

Bloomberg

2016 economic growth target of 6.7%. Part of the reason for the 6.8% decline in exports in September from the previous month was due to the Note 7 recall, said Nguyen Bich Lam, head of the country's General Statistics Office.

"It's another blow," said Alan Pham, the HCMC-based chief economist at VinaCapital Group Ltd., the country's largest fund manager. "This is the risk of putting all your bets on one company or industry. But that is the natural progression of a developing country: It starts by exporting commodities then turns to manufactured products, industrial products."

Samsung's plants in the northern provinces of Bac Ninh and Thai Nguyen do not plan to fire employees as a result of the Note 7 incident, the company said in an e-mail statement. Overall 2016 Vietnam exports are expected to

increase from last year, the company said.

Shares of Samsung Electronics dropped for a third consecutive day today, losing 0.7% at close in Seoul trading.

Even before the Note 7 fallout, Vietnam was struggling to meet its target of 10% export growth this year, Trade and Industry Minister Tran Tuan Anh said in a July interview. Still, Vietnam's economic growth is better than neighboring countries, Pham said.

Vietnam's annual economic growth accelerated to 6.4% last quarter, from 5.78% in the previous three months, the General Statistics Office said Sept. 29, behind only the Philippines in Southeast Asia. The government is pushing for 6.7% growth target this year.

Earlier this month local news websites reported that Samsung had applied to the customs

[Back to top](#)



## HIGHLIGHTS

department for tax exemptions to re-import flawed Galaxy Note 7 smartphones and export replacements to Samsung's headquarters in South Korea.

"Samsung has contributed greatly to Vietnam's economy," said Mai, who estimated the total workforce tied to Samsung in Vietnam is about 400,000 people, including 130,000 company employees.

### Vietnam works with Russia to realize "low-cost" car dream



VNN - Automobile joint ventures between Russia, Belarus and Vietnam are expected to be set up soon.

Under agreements signed between Vietnam and Russia, auto joint ventures would gradually increase the localization ratios in their products. The ratios would be 25 percent by 2020 for specialized vehicles, 30 percent of trucks and terrain vehicles and 35 percent of models with 10 seats and more.

Meanwhile, Belarus has promised higher localization ratios of 40 percent by 2020 and 60 percent by 2026.

[www.seiko-ideas.com](http://www.seiko-ideas.com)

In early April, the Vietnam-Belarus Business Forum reported that two joint ventures would be set up on the basis of the existing factories in Vietnam which would assemble car parts.

In an effort to expand cooperation in production, the first BelAz were churned out early this year. Meanwhile, buses and dump trucks are going to come out in the market.

The information about Russian cars and the establishment of Vietnam-Belarus and Vietnam-Russia automobile joint ventures has caught from the public.

Some sources reported that a Hanoi-based company has imported UAZ Patriot from Russia and now sells the products at VND700-800 million per product.

Meanwhile, under the free trade agreement (FTA) between Vietnam and the Asia – Europe Economic Union (Federation of Russia, Belarus, Kazakhstan, Armenia and Kyrgyzstan), this kind of product enjoys a preferential import tariff of zero percent.

However, To Dinh Lam, director of Auto K, believed to be the importer, denied the information. Lam said he has not signed any price quotation document for UAZ products.

Auto K has been allowed to import 350 CBU products (complete built unit) at the preferential tax rate of zero percent.

It is expected that Auto K would import 500 UAZ Patriot and UAZ Pickup. This means that about 150 products would not be able to enjoy the preferential tax rate.

According to the General Department of Customs (GDC), in the first eight months of the year, Vietnam imported 1,180 CBU products from Russia, an increase of 373.6 percent, or four times higher than the same period last year, worth \$66.9 million.

Of this amount, 960 products were trucks (up by 707 products), while 172 were other kinds of vehicles. There were only 48 cars with nine and fewer seats. Meanwhile, in 2015, only one product of this kind was imported.

Kirill Baturo from Belarus Embassy in Vietnam said Vietnamese were familiar with MTZ's tractors and BelAz's products

Belarus now assembles MAZ trucks with the facilities of Samco Company.

Ivan Gumnikov from Russian Embassy in Vietnam thinks that Russian trucks and passenger cars would have great potential in the market.

[Back to top](#)

## HIGHLIGHTS

### Vietnam's sole private carrier to launch IPO on HOSE this year



Bizlive - VietJet Air is preparing to debut its shares on the Ho Chi Minh Stock Exchange, the country's main bourse.

Vietnam's private budget carrier VietJet Air is speeding up a plan to launch an initial public offering (IPO) on the Ho Chi Minh Stock Exchange (HOSE) by the end of this year, Chief Executive Officer and Founder Nguyen Thi Phuong Thao told the Nikkei Asian Review.

The IPO plan has been confirmed by VietJet Managing Director Luu Duc Khanh, who said at a meeting with investors in Ho Chi Minh City last week, VietJet Managing Director Luu Duc Khanh said that the carrier has carried out roadshows overseas, and is preparing for another at home before debuting on the HOSE in the final months of this year.

"It is a good time for the company in term of growth and performance. We are sticking to the IPO plan within this year," Khanh said.

[www.seiko-ideas.com](http://www.seiko-ideas.com)

Khanh last month told local media that the carrier would list its shares on a local stock exchange before going overseas, either Singapore or Hong Kong, in compliance with the Law on Securities.

According to Bloomberg, VietJet Air IPO will make Thao Southeast Asia's first self-made female billionaire.

Since its inception in 2001, VietJet Air is now operating 37 routes in Vietnam, with plans for more, and has expanded its domestic market share to 40%.

The airline has set ambitious goals of expanding its international network which now comprises connections to Thailand, Singapore, South Korea, Taiwan, Malaysia, China and Myanmar.

### High-tech application agricultural zone in Phu Yen province

Bizhub - Southern Phu Yen Province on Monday began construction of the High-tech Application Agricultural Zone (HTAAZ) in Phu Hoa District's Hoa Quang Bac Commune, with total investment of some VND520 billion (US\$23.1 million).

The zone is one of 10 agricultural areas under the master plan of hi-tech agricultural areas by the year

2020 with a vision to 2030, according to the prime minister's Decision No 575/QD-TTg on May 4, 2015.

Covering an area of 460ha, the HTAAZ will complete the Lo Chai 1 irrigation system with capacity of 304,000 cu.m., building a 4km road, lighting system, waste treatment area and other technical infrastructure.

It has attracted seven investment projects, of which, four projects are in operation - Taiwan high-tech agricultural zone of Kuan-Lien Agricultural Development Co Ltd, Industrial chicken raising farm of Dong Loi Clean Chicken Raising Co, Biological experimental station of Technology Application and Transfer Center (Department of Science and Technology) and Fruit farm of Son Ngoc Co-operative Group.

The remaining projects are completing investment procedures. The province also plans to build a research and development centre for hi-tech agricultural development by 2020. The centre will have hi-tech models and conduct research on science and technologies to transfer to farmers and businesses in the region.

[Back to top](#)

## CONTACT

For more information, please contact us:

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

*Research & Consulting Division*

Our services	Market Research Business Matching Investment Consulting Translation - Interpretation Training (Language & Soft skills)
Our clients	Thinktanks, Universities Japanese & Vietnamese Government Organizations Manufacturers, Retail companies Advertisement agencies, Mass media, etc
Address	Floor 5 <sup>th</sup> – A Chau Building No.24 Linh Lang Str., Ba Dinh Dist., Hanoi, Vietnam
Telephone	+84-4-6275-5246 ; +84-4-6273-6989
Fax	+84-4-6273-6988
Email	<a href="mailto:newsletter@seiko-ideas.com">newsletter@seiko-ideas.com</a>
URL	<a href="http://www.seiko-ideas.com">www.seiko-ideas.com</a>
<b>PIC</b>	<b>Nguyen Thi Quynh Tram (Ms.)</b>
HP	+84-91-4994-830

*\*You are receiving this because you [subscribed](#) to our weekly business newsletter or you gave us your address via namecard.*