

VIETNAM

BUSINESS REVIEW

Vol 46, November 23rd 2016

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ECONOMY

Pollution shrinks Vietnam GDP by 5%



VNS - Each year, environmental pollution causes Vietnam an economic loss of 5% of its gross domestic product (GDP) and the figure is expected to rise, said Dinh Duc Truong, deputy head of the Economics and Environment Faculty under Viet Nam's National Economics University.

Truong told that the country could soon surpass China's 10% pollution-related GDP decline.

Violations of environmental regulations have been recorded at some 80% of industrial parks in Viet Nam, according to the General Statistics Office (GSO).

Firms with foreign direct investment (FDI) account for 60% of the total enterprises that exceed waste discharge standards, the online Dan tri newspaper quoted the GSO as saying.

Another study on business environmental behaviour, by the Central Institute for Economic Management, shows that 23% of

foreign-invested firms discharged waste exceeding the allowable standards.

Viet Nam has signed 15 free trade agreements (FTAs), which could have negative repercussions for the environment while providing new opportunities.

The garment and textile, steel and paper sectors, which have attracted high levels of FDI, could cause environmental pollution with several big projects from China and Taiwan.

Dang Duc Anh, head of the analysis and forecast board at the Ministry of Planning and Investment, said water resources, agriculture and rural development, health care and coastal areas are the most susceptible to climate change and environmental pollution.

Viet Nam ranks 23rd among 193 countries in the Climate Change Vulnerability Index released by Maplecroft, a global risk and strategic consulting firm based in the UK. It is one of the 30 countries rated at "extreme risk" on the list.

Although Viet Nam has not seriously contributed to global warming, it is among the 25 low and middle-income countries that release the most greenhouse gases every year. Anh said Viet Nam needs appropriate policies to adapt to

and mitigate climate change impact and protect the environment so as to ensure sustainable development. Industries that rely on the exploitation of natural resources, especially non-renewable ones, or have low economic benefits, should be curbed.

Vietnam import - export turnover reaches \$300b



VNN - Viet Nam's import-export turnover by November 15 was on the threshold of \$300b, up \$100b against 2011, the latest preliminary statistics from the General Department of Customs showed.

Of the total, export turnover was more than \$151.48b, up 7.5% YoY, while import value rose 3.1% to \$148.82b.

The country's trade surplus by Nov-15, therefore, was \$2.66b

FDI firms made up nearly \$194.52b of the country's total import and export turnover, up \$12.61b against the same period last year.

FINANCIALS

HNX blacklists 49 UCom stocks

VNA - The Hanoi Stock Exchange (HNX) has announced a blacklist of 49 stocks on the Unlisted Public Company Market (UPCoM) to alert and protect investors and traders. The practice of blacklisting stocks, or grouping them under the "Warning" set, was begun in June. The set gathers all restricted stocks whose trading has been suspended either because of the firms' accumulated losses, failure to submit their financial statements or other problems.

In the latest list of 49, Bac A Mineral and Metallurgy Joint Stock Company (BAM) and Na Ri Hamico Mineral JSC (KSS) are two new stocks added to the suspension list. BAM and VSP have violated the northern exchange's rules on information disclosure.

The other 47 suspended stocks include the Central Mining and Mineral Import - Export JSC (MTM), Viet Hai Shipping and Real Properties Corporation (VSP), Phu Thinh Metallurgy JSC (PTK) and Tay Bac Minerals Investment Joint Stock Company (KTB). These stocks were suspended from trading before November 15.

Of the suspended stocks, 35 had negative equity as of June 2016,

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including Vinh Long Cereal and Food Import Export Corporation (VLF), Northern Shipping Joint Stock Company (NOS), construction firm Song Da 1 JSC (SD1) and Sai Gon Shoes Joint Stock Company (SSF).

Four of the 49 firms were included in the Warning list because their post-audit earnings differed from their 2015 financial statements. The four firms are: Da Nang Food JSC (DNF), Sai Gon Petroleum Construction and Investment JSC (PSG), Song Da Construction Company 27 JSC (SD7), and CADOVIMEX Seafood Import-Export and Processing JSC (CAD).

Eight of the blacklisted firms refused to publish audit reports for their 2015 financial statements, including Song Da - Thang Long JSC (STL), KSS, SD1, Bac Viet Steel JSC (BVG), Anvifish JSC (AVF) and Mien Trung (Central) Petroleum Construction JSC (PXM).

Three firms that are yet to submit their financial reports for 2014 and 2015 are: FBA International group Joint Stock Company (FBA), Song Lam 2 Cement Joint Stock Company (PX1) and VIKY Plastic JSC (VKP).

MBBank, Shinsei Bank sign co-operation agreement

Bizhub - Vietnamese MB Bank and Japanese Shinsei Bank on November 21 signed joint-venture and equity-transfer agreements to transfer its capital at MCredit Company to the Japanese partner. MB Bank has maintained 100 per cent of its capital at MCredit after the successful execution of the restructuring of Da River Finance Joint Stock Company.

Under the agreement, MB Bank will transfer 49 per cent of its capital at MCredit to Shinsei Bank. The two parties expect to complete the joint venture in consumer finance in 2017 by establishing the MB Shinsei Consumer Finance Company Limited.

Speaking at the signing ceremony, Yukio Nakamura, vice chairman of Shinsei Bank, said the company believed that co-operation between Shinsei Bank, which has experience in the consumer finance sector, and MB Bank, a prestigious player with risk management experience in Viet Nam, would produce new opportunities and value as well as improve MCredit's competitiveness in the market.

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INVESTMENT

What will investors' profits be in 2016?

VNN - Of the five most popular investment channels, the real estate sector brings the most satisfactory profits as investors not only can expect profits from price increases, but also from property leasing.

Gold

The domestic gold price varied regularly in the first 10 months of the year because of fluctuations in the world market.

On November 1, SJC gold in Hanoi was sold at VND35.75 million per tael. This means that those, who bought gold earlier this year, when the price was at VND32.55 million per tael, would make a profit of VND3.2 million, or 9.8 percent. The price increase was partially caused by the British voters' decision to leave the EU.

The gold price soared sharply because of the news about the US election, but the gold market has cooled down. Analysts say there always latent risks with investments in gold, because the gold price heavily depends on monetary policy. The government is striving to mobilize gold among people as capital for economic development.

Dollars



In late 2015, the State Bank of Vietnam decided to ease the interest rate to zero percent for dollars deposited at banks by individuals and institutions. Since then, it has become an unattractive investment channel in Vietnam.

Those, who bought dollar earlier this year will take a loss if they want to sell dollars at this moment. The dollar was traded at VND22,450 per dollar at the beginning of 2016, which is now priced at VND22,355 per dollar only, a decrease of VND95, or 0.4 percent.

Bank deposits

With the 'interest rate race', where banks try to raise deposit interest rates to attract idle money from the public, depositors have opportunities to make high profits with deposits.

Most banks offer the interest rates of 6.2-6.4 percent per annum. With

the inflation rate of 4 percent in the first 10 months of the year, the real profit depositors can pocket is 2.5 percent.

Securities

After it plummets, the stock market regained strength with prices of many shares having increased significantly. By November 1, the VN Index had increased by 100 points, or 20 percent compared with earlier this year.

Real estate

The 2016 real estate market is on a strong rise. The Ministry of Construction's report to the National Assembly said the market is seeing sustainable development for five reasons 1) the selling price has increased by 1-5 percent 2) liquidity has improved 3) the market segment's structure fits real demand 4) the inventory level is on the decrease and 5) lending to real estate sector is on the rise.

INVESTMENT

HCMC approves \$2.9b for environmental projects

Talk Vietnam - The HCM City People's Committee has approved a plan to spend up to VND64.2 trillion (USD2.9 billion) to carry out 54 environmental projects by 2020.

Of the sum, VND51.3 trillion (USD2.3 billion) will be allocated to build facilities to collect and treat household wastewater as well as dredge canals by using Public-Private Partnerships and Official Development Assistance.

Meanwhile, the city will spend VND1.07 trillion on site clearance, resettlement of households, and the planting of trees to segregate the Da Phuoc Waste Treatment Complex and Da Phuoc Cemetery from nearby residential areas.

HCM City is calling for VND2 trillion in investment from the private sector for a solid waste treatment project which has a capacity of 1,000 to 2,000 tonnes a day.

By 2020, the city will focus on recycling waste to make compost fertilizer, while it will burn and bury a large number of waste. The southern metropolis has set a target to reduce 50-65% of using plastic bags.



Japanese State Minister for Foreign Affairs Nobuo Koshi (L) meets with Deputy Standing Secretary of the municipal Party's Committee Tat Thanh Cang in HCM City on Saturday

Japan wants to invest in metro lines in HCMC

VIR - Japanese businesses are keen to share experience, transfer technology and invest in the construction of metro line 3A and a trade centre at the central station of metro line No 1 in HCM City.

Japanese State Minister for Foreign Affairs Nobuo Koshi made the remark at a meeting with Deputy Standing Secretary of the municipal Party's Committee Tat Thanh Cang in the city on Saturday.

He said the Japanese government, localities and businesses hope to push ahead with co-operation with Việt Nam and HCM City in particular, adding that the recent rapid increase in the number of Japanese investors in the city

demonstrates the Japanese side's wish for stronger co-operation.

According to Koshi, Japan's official development assistance (ODA) projects, including transport infrastructure projects, are being carried out on schedule in HCM City.

Cang proposed that Japan continue helping the city implement projects using Japanese ODA, especially the Bến Thành metro station and the metro line 3A connecting the city with southern Bình Dương and Đồng Nai provinces.

He expressed his wish for stronger collaboration with Japan in various fields from health, culture, and education to trade, investment and hi-tech agriculture.

INVESTMENT

The official urged Japan to speed up the implementation of the Chợ Rẫy hospital project, organise a Vietnamese cultural week in Japan, and support human resources training at electronic chip factories.

Local authorities were willing to create the best conditions for Japanese firms to invest in the city, and pledged to work with enterprises to ensure the efficiency of ODA-funded projects, he said.

Use of ODA funds

The HCM City People's Committee confirmed with the Ministry of Planning and Investment in its recent report that the Official Development Agency (ODA) and other preferential capital resources were used for the right purpose and right timeline; ensured planned targets and efficiency; and greatly contributed to the city's socio-economic development.

ODA and other preferential capital resources have played a very important part in the city's socio-economic development, especially in developing infrastructure, environment, agriculture and healthcare.

To ensure the highest efficiency in using ODA and other preferential capital resources, the municipal People's Committee has balanced

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its State budget and maintained corresponding capital following the timeline of ODA projects.

On the other hand, the city has paid attention to priority projects in the context of increasing public debts and reviewed all projects to maintain the highest investment efficiency.

In implementing projects, the city has set a detailed timeline for different parts of project and co-operation mechanisms among related authorities, especially for those which had a large amount of ground clearance and compensation.

The municipal People's Committee has instructed ODA project management boards to be responsible for all anti-corruption activities.

At present, HCM City has deployed 20 projects with ODA capital for a total investment of VNĐ114 trillion (US\$5 billion).

The disbursement levels of ODA and preferential capital resources are not equal among industries and sectors. Transport and environment projects, such as Bến Thành – Suối Tiên urban railway project and the second phase of a water improvement project for Tàu Hủ - Bến Nghé – Đồi – Tẻ canal system have total investment much higher

than other projects in agriculture and healthcare.

In another news, at a reception meeting with Shinya Eima, deputy president of the Japan International Cooperation Agency (JICA) in HCM City on Friday, Nguyễn Thành Phong, chairman of the HCM City People's Committee confirmed that Japan always is the biggest ODA sponsor for Việt Nam in general and HCM City in particular. "HCM City hopes the Japanese Government, through JICA, will continue providing ODA for HCM City to deploy other water improvement and urban railway projects in the future," he said.

The city would like JICA to introduce its urban railway projects to Japanese companies in order to expand public-private-partnership co-operation and help the city to train experts, engineers, professional workers, transfer technology and share experiences in operating metros.

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ENTERPRISES

Highland Coffee plans to go public in 2019



VNE - The Superfoods Group, a joint venture between a subsidiary of the Jollibee Foods Corporation (JFC), JSF Investments Pte Ltd, and the Viet Thai International Joint Stock Company (VTI), plans to conduct an IPO and list on Vietnam's stock exchange, according to the Manila Bulletin, the Philippine's leading newspaper.

In a disclosure to the Philippines Stock Exchange, Jollibee said Superfoods, which owns and operates Highlands Coffee and Pho 24 in Vietnam and is a franchisee of Hard Rock Café, aims to go public by July 2019.

Highlands Coffee now has 159 outlets, Pho 24 33, and Hard Rock Café three. "We are very excited about the planned IPO of Superfoods," said Mr. Tony Tan Caktiong, JFC Chairman. "Our fastest growing business in terms of country is Vietnam and this reflects the vibrancy and potential of the

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economy and the strong performance of our joint venture business."

"I am confident that with the strong capabilities of our partner and the support of our organization in the Philippines we will have a truly significant business in Vietnam."

The Superfoods Group, which has annual sales of \$55 million, is one of the fastest growing joint venture businesses of JFC, and grew by 36 per cent in the first nine months of this year, with Highlands Coffee growing by approximately 78 per cent year-on-year.

"We look forward to making Highlands Coffee and Pho 24 true national champion brands of Vietnam," Mr. Thai Phi Diep, CEO of Superfoods Group and Highlands Coffee was quoted as saying.

"Our planned IPO will raise capital to enable us to expand the two brands in Vietnam, in other parts of Asia, and in other key cities in the world," he added. "Our joint effort with the people of Jollibee Foods Corporation will make this possible."

In 2013, JFC acquired a 50 per cent stake worth \$25 million in SuperFoods Group from its partner, VTI.

As part of the agreement to list Superfoods on Vietnam's stock exchange, Jollibee and VTI agreed

to change the ownership of Superfoods Group so that Jollibee would hold 60 per cent of the 50-50 joint venture.

The number of shares to be sold at the IPO and the price per share will be determined prior to listing based on the capitalization required to significantly grow the business and the fair value of the business.

The Philippines-based Jollibee Foods Corp is now the largest Asian food services company. To claim its place among the world's Top 10 fast food brands, JFC last year launched an acquisition drive to buy more overseas companies and was looking at ticket sizes up to \$100 million. This came close on the heels of its acquisition of a 40 per cent stake in the US-based restaurant brand Smashburger Master LLC for \$99 million.

Shortly after acquiring Smashburger, Jollibee disclosed plans to take its flagship store, Jollibee, to the UK, Italy, Canada, Malaysia and Oman in 2016, and Australia and Japan in 2017, as part of its plans to expand its global footprint. Existing markets are in Vietnam and Brunei.

Vietnam exporters fear protectionist Trump policy

VNS - The chairman of a company whose annual exports are worth

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nearly US\$100 million, half of it to the US, said many Vietnamese exporters are deeply worried about the likely policies of US President-elect Donald Trump.

He said the US's political and economic policies on global trade, taxation and immigration could change significantly, with unpredictable consequences.

The new US administration could pull out of the Trans-Pacific Partnership (TPP), and other free trade agreements may be re-negotiated.



Measures to protect the US economy such as higher anti-dumping duties and technical barriers to trade could be taken, he said.

The CEOs of many other Vietnamese companies have expressed similar views, saying that three Vietnamese industries -- fisheries, steel and electronic components -- are likely to be affected strongly if Trump's protectionist policies are adopted.

vietnam exporters fear protectionist trump policy hinh 0

The US now is Vietnam's biggest fisheries export market, buying up to 40% of its shrimp exports.

To cope with the rapid increase in the import of this Vietnamese item, in September the US imposed new anti-dumping duties on shrimp that are five times the old rate.

Soon the US is also expected to put up technical barriers against imported fisheries products to protect local producers in addition to existing barriers like anti-dumping duties, and regulations related to origin of products and use of chemicals and antibiotics.

It is feared that US firms' demands for anti-dumping action will get more traction since the new president is a businessman.

In addition to concerns about the US's protectionist policies, Vietnamese firms are also worried about a possibility of a falling dollar due to the US's economic instability expected to be caused by the newly-elected US president's new policies.

This would make their products more expensive because the Vietnamese Government has adopted a policy of keeping the dong steady.

Analysts concurred, saying Vietnamese exports would face many difficulties since the US is likely

to make many policy changes, particularly economic.

Vietnamese enterprises need to sharpen their competitive edge as well as thoroughly understand US rules to cope, they said.

But they also suggested that Vietnamese exporters need to diversify their export markets and pay more attention to the domestic market.

Gold becomes safe haven amid uncertainty

After jumping by about VND1 million per tael (37.5gm) on November 9 following the election of Donald Trump as the next US president, Vietnamese gold prices fell by VND260,000 to around VND36.7 million a day later.

The drop in prices continued the following days.

SJC gold declined to VND35.73 million per tael last Friday (November 17)

However, there has been a sharp increase in buying during the same period.

Analysts said the sharp increase in demand is due to a perception that the global gold price could rise again and the greenback could become unstable.

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The rise in demand has also caused the gap between domestic and global gold prices to widen significantly.

The global price is now around VND34.61 million per tael, meaning the difference is a whopping VND2.4 million.

Analysts do not expect gold prices to change much in the near future since the financial markets have already settled down again after volatility following the US elections.

Investors have again returned to watching economic indicators and the monetary policies of central banks, particularly that of the US Federal Reserve, which is expected to hike interest rates in December, causing the dollar to appreciate.

Some others said that it was difficult to predict the domestic gold prices because although the domestic gold rate was recently affected by the global price but this influence was inconsiderable.

This is because the Government does not allow import of gold.

In face of the uncertainty, analysts said gold investors should closely watch the market and be careful in making investment decisions.

Interest rates edge up

In recent weeks the interest rates in the inter-bank market have showed signs of rising, which partly indicates

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an increasing demand for funds though liquidity is plentiful.

According to the Vietnam Investment Development Group's Economics Research Centre, the number of transactions has started to increase on the inter-bank market.

As a result, the interest rates on dong loans increased significantly last week by an estimated 36-48 basis points.

The overnight rate has risen to 1.26% per year, the one-week rate to 1.34%, the two-week rate to 1.54% and the one-month rate to 1.98%.

Analysts partially attributed this to banks seeking to raise funds since demand usually spikes in the last few months of the year.

Besides, despite being a season of plenty, some credit institutions lack liquidity and want to shore up their cash positions to preclude any shortage.

The fact that many people withdrew their savings from banks to buy gold after the US presidential election could also be a reason for the rising inter-bank interest rates.

The higher interest rates have affected the dong-dollar exchange rate.

In the middle of last week the greenback rose sharply against the

dong also partly due to a widening gap between domestic and global gold prices.

On November 15, the dollar climbed from VND22,340-22,342 to VND22,352-22,355.

The reference rate set by the State Bank of Vietnam was VND19 up at VND22,089. Banks can trade at 3 per cent on either side of the rate, meaning between VND21,432 and VND22,749.

Financial organisations forecast the reference rate would hover in the range of VND22,320-VND22,370 in the coming days.

As a result, the inter-bank interest rates on dollar loans also rose, with the rate on overnight loans edging up to 0.58% per year.

Banks said that the exchange rate depends on the dollar supply and demand. But though the supply is ample now, banks are worried the greenback could appreciate against the dong at the end of the year due to rising demand for making import payments.

Besides, the dollar has strengthened against other currencies on fears Donald Trump's policies could spark off inflation and cause interest rates to be hiked.

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Online Friday to take place on December 02

VNS - Some 3,000 businesses will take part in Online Friday 2016, the year's largest e-commerce event, to be held on December 2, the first Friday of the month.

The businesses include e-commerce firms such as Lazada, Adayro, Tiki and Sendo, as well as Hotdeal and Zalora, besides online travel companies, delivery businesses, start-ups, banks and payment service providers, according to the Vietnam E-Commerce and Information Technology Agency (VECITA).

In addition to electronic device producers and official importers (Samsung, Intel, Asus and Oppo, as well as Maison JSC and Hoang Phuc International), Omni-channel retailers (The gioi di dong, Nguyen Kim, HC and Pico, as well as Mediamart and Tran Anh) will also join the event.

They are all expected to offer their best products and services at reduced prices.

They are set to offer 200,000 products at discounted prices, expecting a total revenue of over VND1 trillion (US\$44.8 million).

The online shopping day is the highlight of a series of related events that include both online and

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offline activities, such as the autumn online shopping day on September 30, an e-commerce forum in November and a BigOFF event from December 1 to 3.

The BigOFF event will be the first of its kind in Viet Nam on this occasion. It will take place in the pedestrian streets around Guom (Sword) Lake in the centre of the city. Nearly 30 reputable businesses will participate in this event, with many promotional programmes being run. The event is expected to attract 30,000 local residents.

Besides programmes such as free shipments, discount, promotions during golden hours and gifts, there will also be opportunities for customers to compare and evaluate the promotional programmes of the businesses.

Online Friday is aimed at raising people's awareness of online shopping and boosting community engagement in the sector, creating opportunities for customers to use high-quality products at promotional rates.

The event is the third of its kind in Viet Nam.

In December 2014, it attracted 1,000 businesses as participants. Some 160,000 orders, worth VND154 billion, were transacted, 3.2 times and 2.5 times higher than that of a regular day, respectively.

The best-selling products were in the categories of technology, fashion and home appliances, occupying 80 per cent of the total orders.

In 2015, the event lured some 2,000 businesses, with 63,000 products

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sold, earning the total revenue of VND500 billion, three times higher than that of 2014.

E-commerce is now attractive to both enterprises and consumers in Viet Nam. With a young population, Viet Nam ranks sixth in Asia and 17th in the world in terms of the growth rate of Internet users, who comprise 48 per cent of its population, according to VECITA.

Packaging market: opportunities to escape from domestic enterprises



VNN - An attractive market with a forecast growth rate of no less than 10 percent and weak Vietnamese enterprises are why foreign investors in the packaging industry have entered the Vietnamese market.

According to the Vietnam Print Association (VPA), the packaging production, package printing and printing that serves the processing industry and export have been

witnessing a stable growth rate of 10 percent for many years.

Meanwhile, the Vietnam Packaging Association (VINPAS) predicted that the packaging industry would have growth rates of 15-20 percent in the years to come thanks to high demand in the domestic market and for export.

International analysts commented that Vietnam is becoming the world's new production base with a series of bilateral and multilateral trade agreements. The production expansion will lead to the development of the packaging industry.

According to VINPAS, Vietnam has nearly 1,000 packaging factories which make packing products of different materials, including paper/carton, metal film, plastics and PET bottles.

Nguyen Van Dong from VPA believes that foreign enterprises would increase their investment in Vietnam's packaging industry through both foreign direct investment (FDI) and merger & acquisitions (M&A).

A lot of M&A deals in the industry have been reported in the last few years. A subsidiary of Thai SCG Group took over an 80 percent stake of Batico in a deal worth \$44 million.

This is one of the Vietnamese largest complex package manufacturers, with 20 years of experience and big clients which are multi-national groups such as Nestle, Bayer, Henkel, Dupont, CP and Walmart, and Vietnamese enterprises such as Kinh Do, Trung Nguyen, Vifon and Vinamit.

As for SCG, the group began penetrating the Vietnamese market a long time ago when it set up Kraft Vina specializing in making carton packages in the southern province of Binh Duong. Sources said it plans to spend \$126 million more to strengthen the production capacity of the plant twofold.

The other M&A deals include one where South Korean Dongwon Systems Corporation spent \$21.86 million to buy Minh Viet Packaging and spent \$38.81 million to buy Tan Tien Plastic Packaging.

Prior to that, MeiwaPax Group spent \$15.38 million to buy Saigon Trapaco, while Japanese Oji Holding Corp bought Bao Bi United and Sagasaki Vietnam bought Goldsun Printing & Packaging.

Dong believes that in the future, the buyers will be not only investors from Asia, but from Europe as well.

HIGHLIGHTS

Trump's withdrawal from TPP might make way for China



Reuters - An Asia-Pacific trade deal stands almost no chance of working now that US President-elect Donald Trump has pulled the plug on it, proponents of the pact said on Tuesday, opening the way for China to assume the leadership mantle on trade.

Japan and Australia expressed their commitment to the pact on Tuesday, hours after Trump vowed to withdraw from the 12-nation Trans-Pacific Partnership (TPP) on his first day in office, calling the deal "a potential disaster for our country".

Trump's declaration appeared to snuff out any hopes for the deal, a signature trade initiative of President Barack Obama, five years in the making and meant to cover 40% of the world economy.

The TPP, which aims to cut trade barriers in some of Asia's fastest-growing economies and stretch from Canada to Vietnam, can't take effect without the US. It requires the ratification of at least

six countries accounting for 85% of the combined gross domestic product of the member nations.

Japanese Prime Minister Shinzo Abe said "the TPP would be meaningless without the United States," even as parliament continued debating ratification and his government vowed to lobby other members to approve it.

Yet even without US ratification, the TPP won't just die, a senior Japanese official said.

"It just continues in a state of not being in effect," said Shinpei Sasaki of the cabinet office's TPP headquarters. "In the future if the United States takes the procedures and it passes Congress, that would satisfy the provisions and the TPP would go into effect."

Amending agreement

Other members of the 12-nation grouping could conceivably work around a US withdrawal.

Australian trade minister, Steven Ciobo told reporters in Canberra countries could push ahead with the TPP without the US by amending the agreement and possibly adding new members.

"We could look at, for example, if China or Indonesia or another country wanted to join, saying, 'Yes, we open the door for them signing up to the agreement as well.'"

But Singapore's prime minister, Lee Hsien Loong said reopening negotiations wouldn't be easy. "If you sign a fresh agreement, you have to go through it again. We haven't crossed that bridge yet. We'll cross it if and when we come to that."

China's rival pact

China has pushed its own version of an Asia-Pacific trade pact, called the Regional Comprehensive Economic Partnership (RCEP), which notably excludes the US. It is a more traditional trade agreement, involving cutting tariffs rather than opening up economies and setting labour and environmental standards as TPP would.

The RCEP was a focus of attention at the Asia-Pacific Economic Cooperation summit in Peru over the weekend.

Tan Jian, a senior member of China's delegation at the summit, said more countries are now seeking to join its 16-member bloc, including Peru and Chile, and current members want to reach a deal as soon as possible to counter rising protectionism.

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China's foreign ministry said on Tuesday Beijing has an "open attitude" toward any arrangements that promote free trade in the region as long they don't become "fragmented and politicized".

Foreign ministry spokesman Geng Shuang said the RCEP was an initiative led by the ten member Association of Southeast Asian Nations (ASEAN), which China has been promoting. "We are willing to keep pushing the (RCEP) talks process with all sides to achieve positive progress at an early date," he said.

Vietnam last week shelved its own ratification of TPP, after Obama abandoned efforts to push it through a lame-duck Congress, while Malaysia has shifted its attention to the RCEP.

Japan sets up first tourism rep. office in Vietnam



VOV - Minister of Culture, Sports and Tourism Nguyen Ngoc Thien has signed a decision to allow the establishment of the first

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representative office of the Japan National Tourism Organization (JNTO) in Vietnam.

According to the Vietnam National Administration of Tourism, the representative office aims to provide Vietnamese people with information about Japan and strengthen mutual understanding and cooperation between the two nations.

Last year, the number of Japanese visitors to Vietnam reached more than 671,000. In the past ten months, Japanese tourists to Vietnam surged 11% to 611,000 compared to the same period last year. This year, Vietnam expects to welcome nearly 750,000 Japanese visitors.

Meanwhile, the number of Vietnamese tourists to Japan has quadrupled in the 2010-2015 period, from 42,000 in 2010 to more than 185,000 in 2015, with an average growth of 35% per year.

Japan – third largest import market of Vietnam

VOV -Japan is Vietnam's third largest import market, trailed after China and the Republic of Korea, according to the General Department of Vietnam Customs.

Vietnam imports from Japan inched up 1.56% to more than

US\$12.2 billion in ten months leading up to November this year.

Machines, equipment and tools ranked first among import products with US\$3.35 billion (down 13.4%), followed by computers, electronics and components (US\$2.26 billion, up 18.9%) and steel (US\$989.6, down 6.7%).

Import products that saw a robust growth in the reviewed period included milk and dairy products (up 99%), animal feed and materials (up 91.6%), cameras, film cameras and components (up 153.2%) while those with a sharp decline were petroleum (down 98%), fertilizer (down 52%) and telephones (down 44%).

A seminar was held in Ho Chi Minh city on November 17 by the Japan External Trade Organization (JETRO) within the framework of a program to promote connectivity between Vietnamese and Japanese businesses. It was participated by 37 Japanese businesses which are interested in exporting products to Vietnam.

Michiyo Uehara, representing JETRO said most of the participating businesses are small and medium-sized.

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Address	Floor 5 th – 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	newsletter@seiko-ideas.com
URL	www.seiko-ideas.com
PIC	Nguyen Thi Quynh Tram (Ms.)
HP	+84-91-4994-830

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