



## The Socialist Republic of Vietnam - Country Snapshot



### Basic data

Population:	91,949,482 ((September 2013 est.) (Country comparison to the world: 13)
HDI rank:	128/182 countries (United Nations, 2012)
Land area:	310,070 sq km
Capital:	Hanoi (population: 7.1 million) (2012)
Main cities:	Ho Chi Minh City (population: 7,396 m, April 2010) Haiphong (population: 1,884 m), Da Nang (population: appx. 1m, 2012)
GDP:	USD 124 billion (Oct 2012)
GDP/PPP:	USD1,555 (2012)
Currency:	Vietnam Dong (D). Average exchange rate in 2013: D21,036=US\$1

### Political structure

Form of State:	One-party rule
The executive:	The cabinet is constitutionally responsible to the National Assembly, which is elected for five-year term
Head of state:	The president, Truong Tan Sang
National legislature:	The unicameral 493-member Quoc Hoi (National Assembly) meets biannually and typically serves a five-year term. The current chairman is Nguyen Sinh Hung. The assembly appoints the president and the cabinet
National government:	The Communist Party of Vietnam, and in particular its politburo, controls both the electoral process and the executive



## ECONOMIC OVERVIEW

Vietnam's economy started to suffer from instability in 2008 and gradually recovered in late 2012 thanks to the government's demanding stimulation policies. However, the country still has to face many challenges in 2013.

This year, the economy is showing signs of recovery with more stable macro-economic indexes, controlled inflation, increased foreign reserve and stabilized exchange rates. The overall goal of the national economy in 2013 is to stabilize the macro-economy with lower inflation and higher growth than in 2012.

Vietnam's Gross Domestic Product (GDP) grew by 5.14% in the first nine months of 2013, versus 4.73% of the same period last year. Although the GDP slightly accelerated from quarter to quarter, many experts think it is unlikely for Vietnam to meet its earlier target of 5.5% GDP growth rate this year, which was approved by the National Assembly. According to the Ministry of Planning and Investment of Vietnam (MPI), the trade and services sector mainly contributed to the growth of GDP in the first nine month, with a rate of 6.25% on year. The construction sector with 5.02% on year and the agriculture, forestry and fisheries with 2.39% on year followed.

Concerning credit growth, the establishment of Vietnam Asset Management Corp (VAMC), a 100% state-owned company managed by the State Bank of Vietnam (SBV) help take over bad loans from banks that own them. This is a real test of the government's resolve to clean out the bad debts in its banking systems. The company is aimed at reviving sluggish credit extension, which underpinned the slowdown of the nation's growth rate last year to the lowest since 1999. The credit growth rate was estimated to reach 5.83% in the first 9 months of 2013, much higher than that of the same period last year (i.e: 2.52%). However, this rate is still below the targeted one of 12% set by the government.

Regarding business environment, according to the "Doing Business 2013" report released by the World Bank, Vietnam ranked 99 out of 185 countries for ease of doing business. According to Vietnam Chamber of Commerce and Industry (VCCI), the country's business environment has not improved much over the past decade and remains below average. Administrative procedures, despite being reformed for many years, still remain tortuous, hindering businesses. A recent study by Grant Thornton (GT) ranked Viet Nam 27th out of 60 countries in terms of "dynamism". The Global Dynamism Index, based on five drivers of an economy's dynamism, gave the country a score of 54 out of 100. This compares with 66.5 for Australia, 62.7 for China, 59.5 for Malaysia and South Korea, 56.4 for Thailand and 51.2 for Indonesia. As indicated by GT, Vietnam got some good points in each driver: 53.1 out of 100 for financing environment, 74.8 for economic growth, 60.9 for labor and human capital, 58 for business operating environment and 23 for science and technology. What affected its overall scores were the business operating environment (down 5 places to the 47th), and science and technology (down 3 places to the 44th)

Next to positive signals, budget deficit is a negative issue that may lead to macro-economic instability. For example, in Ho Chi Minh City, the budget deficit in 2013 is estimated at VND 20 trillion. In the context of economic stagnation, freeze of real estate market and shut down of many enterprises, the budget deficit is becoming a hot problem that will be discussed by the National Assembly at the 6<sup>th</sup> session planned to start on 21<sup>st</sup> October 2013.

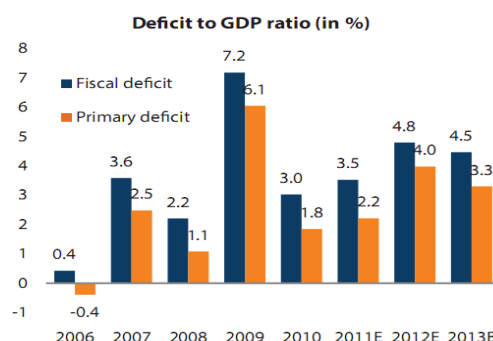
Bảng tóm tắt kinh tế các quốc gia mới nổi khu vực Châu Á – Thái Bình Dương





### Fiscal policy

According to a recent report released by the World Bank in July 2013, Vietnam's public finances have come under stress during the past few years on account of slower growth, lower revenue buoyancy and increased stimulus spending. Fiscal deficit in 2012 went up to 4.8% of GDP. Primary deficit, which excludes interest payments, was closer to 3.6% of GDP in 2012. As a result of higher deficits, government's debt increased from 48% of GDP in 2011 to 52% in 2012. With government set to borrow nearly VND 208 trillion during 2013, domestic debt is expected to hit a new high this year.



### Monetary Policy

The Government has followed a cautious but flexible monetary policy over the past three years against the background that the global economy was recovering slowly and domestic inflation soared to 18.58% in 2011. The policy aims to stabilize macro-economy, control inflation, ensure the safety of banking system, and maintain credit growth under 20%. By the end of 2012, mobilizing rate decreased by 3-6% and lending rate fell by 5-9% against the previous year's data. This year, deposit rate has dropped to 7% and the cap on lending rate for five priority areas has fallen to 9%. In the first eight months, credit grew 6.45% in comparison to that at the start of the year, making it possible to realize the whole-year credit growth of 12%.

### Credit rating

Standard and Poor's (S&P) affirmed its "BB-" long-term and "B" short-term sovereign credit ratings on Vietnam, describing the country's outlook as stable. According to S&P, the stable outlook on the ratings reflect their expectation that Vietnam will maintain an appropriately tight economic policy stance which allows banking sector and other reforms to progress while maintaining macro-economic stability. S&P's said improved credit metrics indicated a "diminished risk of macroeconomic and financial instability" in Vietnam. The government has lowered inflation to 6-7% from over almost 20% in 2011, and real interest rates have been positive for more than a year.

Main constraint on the sovereign rating, according to S&P's, was Vietnam's low average income, projected at USD 2000 in 2013. S&P's may lower the sovereign ratings if an early easing of the policy stance causes a marked deterioration in one or more key indicators. On the other hand, this agency can increase the sovereign rating if there are any signals showing that the GDP growth rate of this country is stabilized at over 5.5% annually without unbalancing the macro-economic situation.

### Inflation

Announced by the General Statistics Office of Vietnam (GSO), Vietnam's Consumer Price Index (CPI) has increased by 6.83% y-o-y over the past nine months. The September index was up 1.06% on the previous month, or 6.3% higher than the same month or last year. The rising CPI was attributed to the price increase of 9.38% in the education sector. The GSO said price management in the remaining months of 2013 will play a decisive role in controlling the CPI at less than 7% by the year's end. (Table 3)

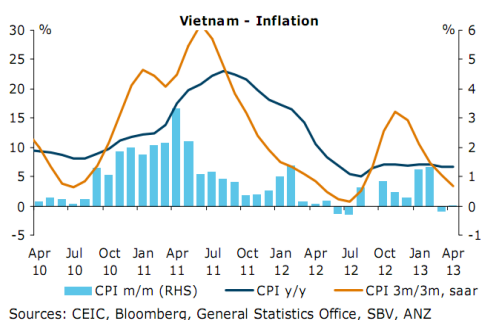


Table 3: Inflation rate (ANZ, Bloomberg, GSO)

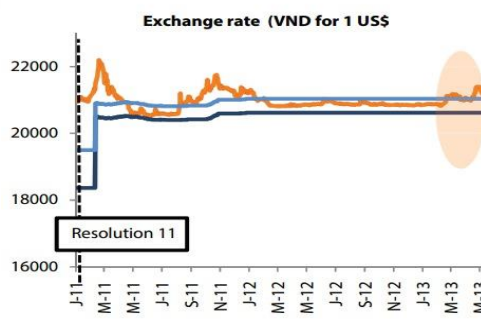


Table 4: Exchange rate (WB)

### Exchange rate

As indicated in the July- released report by the World Bank, the official exchange rate has been relatively stable and in a welcome move when the Vietnamese dong (VND) came under pressure recently, authorities widened the exchange rate band by 1% rather than continue to defend the currency. On 28<sup>th</sup> June 2013, SBV announced a 1% devaluation of VND interbank average exchange rate from VND 20,286 per USD to VND 21,036 per USD, in an effort to boost the country's exports and consequently its foreign exchange reserves. The adjustment marks the first devaluation since 2011. SBV confirmed that the change in the exchange rate reflected more accurately the demand for foreign currency in the market. (Table 4)

### Foreign Direct Investment

Total foreign direct investment (FDI) to Vietnam in the first nine months of 2013 increased over 36% to hit more than USD 15 billion, surpassing this year's set target of USD 13-14 billion, according to MPI. Japan remained the largest investor in Vietnam with newly- registered and added capital of USD 4.74 billion, followed by Singapore with USD 3.95 billion and South Korea with USD 2.64 billion. LG's new project in Hai Phong with registered capital of USD 1.5 billion contributed to a sharp increase of FDI inflow in September, which helped the country surpass its yearly target in FDI attraction.

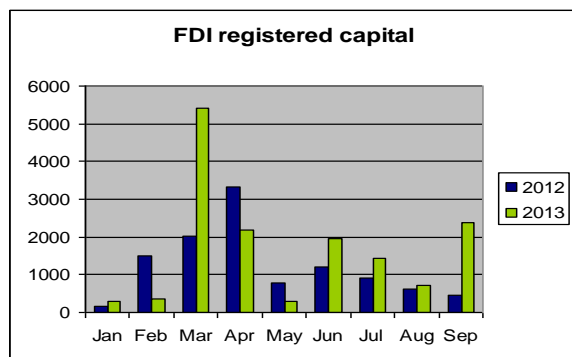


Table 5: FDI registered capital

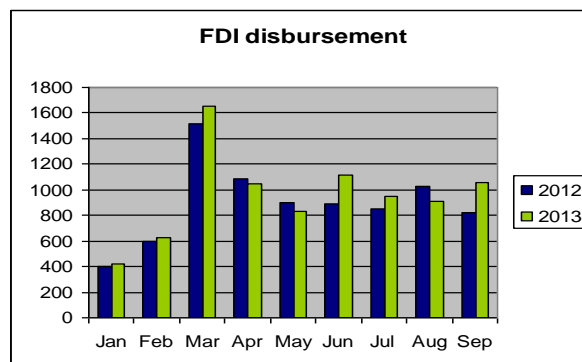


Table 6: FDI disbursement

### Trade Balance

Vietnam has been suffering a trade deficit since the beginning of this year despite the fact that the growth rate of export is a bit higher than that of import. Recent statistics from GSO showed that as of 15<sup>th</sup> September, total import-export turnover reached USD 180.35 billion, increased by 14.5% compared to same period last year, in which exports increased by 14.7% (USD 90.06 billion) and imports increased by 14.4% (USD 90.29 billion). As a result, there was a trade deficit of USD 374 million in the first half of September, which lead to a trade deficit of USD 226 million for the first nine months of 2013.

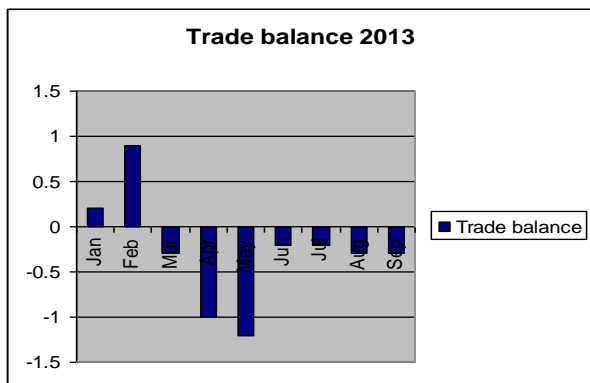


Table 7: Trade balance 2013

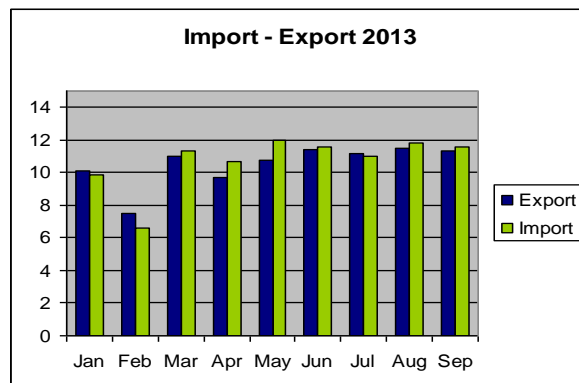


Table 8: Import-export 2013

## Summary

Viet Nam still has much to do in terms of stabilizing the macro-economy and fastening the economy restructuring procedures.

The World Bank forecasts that Vietnam’s economy will grow at a moderate of around 5.3% during 2013 and 5.4% in 2014. The government has recently approved a GDP growth rate target for 2014 of 5.8%. In line with GDP, CPI is set at 7% and total export turnover is expected to increase by 10% in comparison with 2013. The government affirmed their central goal for the period of 2014-2015 is to continue stabilizing the macro-economy, restraining the inflation, reaching a GDP growth rate at around 6%, boosting investment as well as reducing bad debts. FDI inflow is expected to increase next year if the macro-economic is stabilized.

In terms of international cooperation, Vietnam continues to strengthen its ties with Japan, the United States (U.S) and the European Union (EU). Last year, the EU surpassed the US to become Vietnam’s second largest trade partner and leading importer of Vietnamese commodities with total import-export turnover about USD 22.09 billion, up 19.77% y-o-y. In comparison with other countries in ASEAN, Vietnam is now surpassed by the Philippines, Thailand and Indonesia even though Vietnam’s GDP growth was higher than these countries before the global economic downturn. The WB economist noted that Vietnamese economic growth has been slowest since the 1980s, meanwhile, other economies seem to be warming up again. They also warned that Vietnam faced the risk of a prolonged period of slow growth. Slower growth may intensify demand for loosening monetary and fiscal policies further.

## FOCUSED TOPICS

### 1. Vietnam’s Trade Policies

#### Trade Agreements

Vietnam has set up diplomatic ties with over 180 out of 193 members of the United Nations and trade ties with nearly 230 countries and territories worldwide. The country has also performed as an active member of more than 70 regional and international organizations.

In terms of trade relation, Vietnam has signed bilateral trade and investment agreements with 64 countries. Although each agreement has its own conditions, the main purpose of these agreements is to strengthen the trade and investment relation between Vietnam and its partners. However, the level of commitment in these agreements is lower than that of the free trade agreements.





Israel and Vietnam officially established diplomatic relations since July 1993. Trade relation which started 10 years ago are steadily growing and meeting the diversified demands from both sides. On 24<sup>th</sup> January 1996, Vietnam and Israel signed an agreement on economic, science and technology, agriculture and trade cooperation. Eight years later, an agreement on economic and trade cooperation, an important legal basis for further development of trade, was signed. Total import-export turnover between Israel and Vietnam in 2012 was VND 1,090 million, in which import in Vietnam from Israel was VND 747 million (120% increase over 2011) and export from Vietnam to Israel was VND 343 million, which increase by 55% in comparison with that of 2011.

Vietnam is a member to six multilateral free trade agreements (FTA): FTA with Association of South East Asian Nations (ASEAN), FTA between ASEAN and India, FTA between ASEAN and Australia/New Zealand, FTA between ASEAN and Korea, FTA between ASEAN and Japan and FTA between ASEAN and China. In addition Vietnam concluded its first bilateral free trade agreement with Japan in 2008 followed by a FTA between Vietnam and Chile in 2011. When the agreement comes into effect by the end of this year, 73% of Chilean exports will enter Vietnam duty-free, while the rest will begin to benefit under two tranches in year 3 and year 15. On the other hand, 75% of Vietnamese exports will enter Chile tariff-free and the rest will be liberalized in a series of tranches ranging from 6 to 11 years.

At the moment, Vietnam is negotiating its bilateral FTAs with the European Union (EU) and Korea and involving in the negotiation procedures of a multilateral FTA between ASEAN and EU and the Trans-Pacific Partnership (TPP) with other 11 countries. Vietnam also considers its possibility of joining the negotiation between ASEAN and Canada. Additionally, the country takes the negotiations with the European Free Trade Association (EFTA) and the Customs Union (which includes Russia, Belarus and Kazakhstan) into serious account.

Vietnam and EU announced the start of FTA negotiations in Brussels in June 2012. Until now, there have been 4 rounds, taken place in both Vietnam and Brussels. EU is the second biggest trade partner and the biggest export market of Vietnam. In 2012, total two-way trade turnover between Vietnam and EU was USD 29.1 billion in which export to EU was USD 20.3 billion and import from EU was USD 8.8 billion. The fourth round of the negotiations was kick-started in Brussels on July 2, 2013, hoped to form a cornerstone of a complete pact. The round focused on issues of great importance to both sides, with special attention given to goods, services, investment, government procurement, and protection of intellectual property rights, as well as general provisions on trade in goods. Next round of negotiations is scheduled to be held in Hanoi this November. Once the agreement comes into force, import-export tariffs on agricultural products, food, footwear, garments and other products will be slashed to zero.

Vietnam together with Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and the U.S started the TPP negotiation in 2010. The latest round of negotiation was held in Brunei in August and the next round is scheduled to take place in Indonesia this October. Participants expect to finish all negotiations in 2013. However, it is likely that the procedures will be extended up to 2014 because of the additional participation of Japan which recently joined in the process this July. The TPP negotiations stretch over 21 fields, ranging from government procurement rules for public works projects to environment that involves fishing subsidies. The TPP addresses new trade issues and 21<sup>st</sup> century challenges, exploring both tariff and non-tariff barriers to trade and investment, with the goal of facilitating the movement of people, goods, services, capital and data across borders. According to the Ministry of Industry and Trade (MOIT), once the agreement takes effect, it will open up a huge market for Vietnam's exports, including to those countries where Vietnam has not yet signed a bilateral free trade agreement such as the United States, Canada and Mexico.



## **Vietnam and WTO**

Vietnam was officially admitted to the World Trade Organization (WTO) in 7<sup>th</sup> November 2007, after 11 years of negotiations. Since then, Vietnam has gained achievements in socioeconomic development, and administrative reform, but it has also encountered several challenges.

Thanks to WTO's accession, in 2012, Vietnam was ranked at the 37<sup>th</sup> in the world in terms of exports (13 steps up over 2007) and the 34<sup>th</sup> in terms of imports (up 18 steps). After 6 years, total import-export turnover reached USD 228.31 billion, which doubled that of 2008. (Table 9)

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Export	50	50	49	50	50	50	40	40	41	37
Import	42	44	44	44	41	42	36	34	33	34

*Table 9: Vietnam's rank in export, import (2003 – 2012)*

However, the country's economic average growth rate for the period between 2007 and 2011 was 6.5%, which was much lower than the 7.8% recorded from 2002-2006 and far below 7.5-8% as targeted, according to a report by the Central Institute for Economic Management (CIEM). On the word of an expert from CIEM, the advantageous period lasted only two years, 2007 and 2008. After that, the global increase of raw material prices placed pressure on Viet Nam's economy, causing higher inflation and lower economic growth. Moreover, FDI inflow and trade were also badly affected by the global economic crisis, which began in 2008.

## **ASEAN Integration**

### **Vietnam and ASEAN**

Vietnam became a full member of ASEAN on 28<sup>th</sup> July 1995 and since then this country has made significant contributions to building and developing the bloc prosperously and peacefully. Statistics from Vietnam Foreign Investment Agency (FIA) showed that, as of August 2013, Vietnam has attracted 2192 foreign direct investment (FDI) projects from ASEAN members, with a total registered capital of USD 50.8 billion. According to FIA, most ASEAN investors' projects in Vietnam have operated efficiently, such as the Vietnam-Singapore Industrial Park (VSIP) by Sembcorp Singapore, the Vietnam-Indonesia joint venture Ciputra urban quarter, the EcoLake by SP Setia Malaysia or the Amata industrial park by Thailand, to name but a few.

Vietnam always considers strengthening ASEAN cooperation an important factor in its foreign policy of independence, self-reliance, multilateralization, diversification of relations, and active integrations in the region. Vietnam also supports the implementation of the Master Plan on ASEAN Connectivity, especially key projects on infrastructure, agreements on trade facilitation and liberalization, and the Initiative for ASEAN Integration (IAI) Work Plan 2. Narrowing development gaps between ASEAN member countries is also an issue of concern to Vietnam and the bloc.

### **ASEAN Integration 2015**

ASEAN is changing the regional landscape as it works towards creating a political, economic, and social/cultural community by 2015. Three communities are being established, namely the ASEAN Political-Security Community (APSC), the ASEAN Socio-Cultural Community (ASCC) and the ASEAN Economic Community (AEC).

The AEC shall be the goal of regional economic integration by 2015. The AEC envisages the following key characteristics:



1. single market and production base,
2. highly competitive economic region,
3. region of equitable economic development, and
4. region that fully integrated into the global economy.

The AEC areas of cooperation include human resources development and capacity building; recognition of professional qualifications; closer consultation on macroeconomic and financial policies; trade financing measures; enhanced infrastructure and communications connectivity; development of electronic transactions through e-ASEAN; integrating industries across the region to promote regional sourcing; and enhancing private sector involvement for the building of the AEC.

In short, the AEC will transform ASEAN into a region with relatively free movement of goods, services, investment, skilled labor, and freer flow of capital. At the 13<sup>th</sup> ASEAN Summit in Singapore on 20 November 2007, the ASEAN leaders adopted the ASEAN Economic Blueprint to serve as a coherent master plan guiding the establishment of the AEC 2015. AEC is planned to be opened on 31<sup>st</sup> December 2015. According to ASEAN General Secretary Mr. Le Luong Minh, as of March 2013, ASEAN has completed 80% of solutions stated in the master plan of building AEC.

## **2. Da Nang and central coastal provinces**

There are three key economic zones (KEZs) in Vietnam, including the Northern, the Central and the Southern KEZ. From 2011 to 2015, the KEZs are expected to achieve an annual average per capita income of US\$3,000, and their export import turnover is targeted to increase by 14 percent to 14.5 percent per year.

The Central KEZ was established pursuant to Decision dated August 13<sup>th</sup> 2004 by the Prime Minister including Thua Thien – Hue, Danang, Quang Nam, Quang Ngai and Binh Dinh. The 2004 economic plan for the Central KEZ aims to ensure the region's role as Vietnam's "growth nucleus," which would boost development in the Central Highlands. Advantageous industries, such as the marine economy, are to be vigorously promoted in the region. In the future, the region is expected to attract investment in sectors including oil and gas, shipbuilding, logistics, coastal tourism development, and high tech industries.



Thua Thien Hue has so far this year attracted 5 new FDI with a total capital of USD 40.7 million and has given four others permission to raise their capital by USD 58.75 million. As of September this year, the province counts 69 FDI projects that see annual growth of 17.2% in the revenue.

Latest report from the Investment and Planning Department of Quang Nam revealed that there were 82 FDI projects with a total capital of USD 5.2 billion, mainly in tourism, services, industrial and textiles sectors. Most of the projects are placed in Chu Lai Open Economic Zones, Hoi An, Dien Ban and Duy Xuyen. However, according to the province people's committee, the FDI inflow is decreasing. The projects are small in terms of scale and capital. In the period of from 2007 to 2012, there were 60 projects with total registered capital of USD 4.5 billion whose investment licenses were revoked.





Quang Ngai People's Committee set a target to attract USD 12 billion in FDI inflows by 2015 and the province is on track to reach its goal.

Since the beginning of 2013, Binh Dinh Province has attracted 52 FDI projects with a total capital of USD1.7 billion. Binh Dinh People's Committee recently announced the list of international bidders and consultants for the mooted large-scale Nhon Hoi oil refinery project, which values USD 27 billion. The refinery will have a capacity of 660,000 barrels per day, or 30 million tons of crude oil per year, a five-fold increase over the output of Dung Quat, Viet Nam's current largest oil refinery.

### **Da Nang**

Da Nang City is located at the center of Vietnam, around 759kms from Hanoi and 960kms from Ho Chi Minh City. Like Hanoi, Ho Chi Minh City, Hai Phong and Can Tho, Da Nang is a centrally-administered city in Vietnam, which means that the city is directly controlled by the government. It borders Thua Thien – Hue province in the North, Quang Nam in the South and the West and the Eastern Sea in the East.

- Climate: Tropical, influenced by monsoons
- Annual average temperature: 25.7<sup>0</sup>C
- Natural land area: 1,283 km<sup>2</sup>
- Average population: 967,925 persons (2012)
- Administrative units: 6 urban districts, 1 rural district and 1 archipelago district

### ***Potential conditions for Economic, Tourism and Investment Development***

Da Nang is situated in a strategic location. Da Nang port is the eastern gateway to the East – West Economic Corridor (EWEC), acting as the access point for the Pacific Ocean of the virtually untapped hinterland of Laos, Northeast Thailand, Myanmar and Central Vietnam. As one of five economic corridors initiated by ASEAN, EWEC is expected to help accelerate regional cooperation, improve living standards of local people, improve social-economic conditions in the region, provide better access to raw materials, capital, technology and labor, facilitate cross-border trade, extend the market for services, diversify economic activities and exports and accelerate tourism development. Da Nang's sea port location and gateway role within the EWEC, coupled with the ongoing liberalization of trade and investment in the ASEAN region, makes Da Nang to play an increasingly strategic role in the development of the key economic zone of the central of Vietnam.

Da Nang has developed infrastructure to support economic activities, tourism and investment. Da Nang port is one of the biggest commercial ports in Vietnam. The average annual growth rate of the volume of goods coming through the port was 13% during the past 5 years (Table 10). From Da Nang, goods can be directly delivered to Hong Kong, Singapore, Japan, Taiwan, South Korea, Europe, the United States and other parts of the world. It is also an ideal destination for tourist ships.

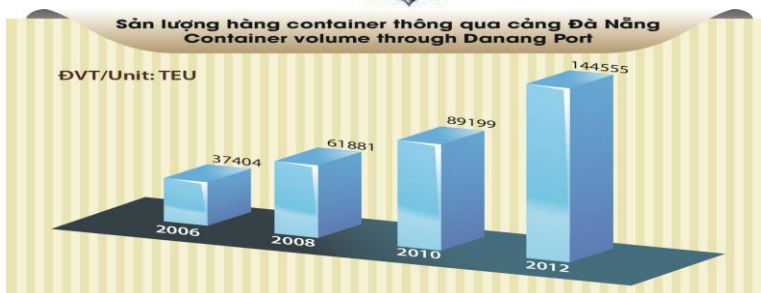


Table 10: Container volume through Da Nang Port (Da Nang IPC)

Da Nang International Airport is one of three best airport and third busiest terminal in Vietnam. Each year, the port can accommodate from 4 to 6 million passengers. In addition to domestic flights, there are weekly international flights between the city and Cambodia, Malaysia, South Korea and charter flights from Da Nang to Laos, China and Russia.

Da Nang is a dynamically growing economy. Over the past years, Da Nang has experienced continual and stable economic growth. According to Da Nang Investment Promotion Center's report, GDP of this city grew at an average rate of 11% in the period 2006-2010, 13% in 2011 and 9.1% in 2012, which was higher than that of the whole country (Table 11)



Table 11: GDP Growth rate (Da Nang IPC)



Table 12: Visitor arrivals (Da Nang IPC)

Da Nang is famous for tourism and considered a focal tourist destination in Vietnam. With a 70-km beautiful coastline and bathed with sunshine for most of the year, Da Nang beach is chosen to be one of the most luxurious beaches in the world by Forbes magazine. From Da Nang, tourists are able to visit many landscapes such as beautiful and spiritual Ngu Hanh Son or Marble Mountains, Ba Na Hills, or Son Tra Peninsular. The number of visitors to Da Nang has increased sharply, from under 500 thousand people in 1997 to nearly 2.5 million in 2012. (Table 12)

Well-trained human resource is another contributor to the development of Da Nang City. Recent statistics revealed that, the workforce accounted for approximately 50% of the city population. 24 universities and 19 vocational training schools have been built and the number is expected to be increased. Table 13 shows the forecast of workforce qualifications in Da Nang by 2020, in which the number of B.A holders will reach 53, 202; which equals 387.2% of 2011's.

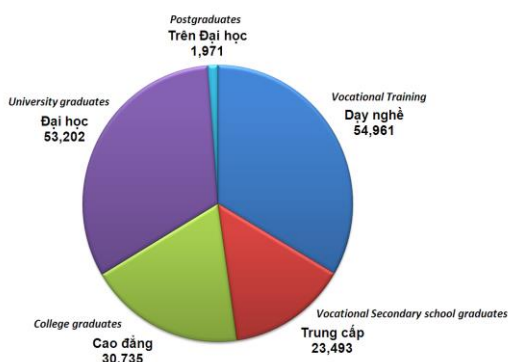


Table 13: Workforce qualifications forecast by 2020 (Da Nang IPC)



Table 14: Economic structure by 2020 (Da Nang IPC)

### Foreign Direct Investment

As of September 2013, Da Nang has attracted 270 FDI projects, with a total registered capital of USD 3.1 billion. South Korea is the biggest investor in Da Nang, with 35 projects, accounting for approximately 22.551% of total FDI. British Virgin Islands, Singapore, the United States and Japan are following. Da Nang People's Committee encourages FDI in the Da Nang High-tech Park. This park was established in October 2010 pursuant to a decision signed by the Prime Minister. This is one of three high-tech parks in Vietnam, besides Hoa Lac (in Hanoi) and Ho Chi Minh City. The 1<sup>st</sup> FDI project in this park is "Tokyo Keiki Precision Technology" with an investment of USD 40 million. 6 main sectors in the park which attract FDI are biotechnology for agriculture, fishery and health; microelectronics technology, mechatronics and optic-electronics; automation technology and precision mechanical; new material technology; new energy; information technology, media and IT software and environmental technology, technology for petrochemical.

### Investment Opportunities

Da Nang is on the way to re-structure its economy so that by 2020, services and industrial sectors will account for 98.4% and only 1.6% for agriculture. There are quite a few sectors which are encouraged for investment, for example high-tech industries (i.e: software production, telecommunication equipment production, environmental protection equipment, biotech applied industries for agriculture, food processing and pharmaceuticals and environment friendly products, etc.); supporting industry; processing industry; services (i.e: education and training, public health, media, logistics and transportation, etc.). (Table 14)

### Sources:

- ✓ The World Bank (2013). *Doing Business 2013*  
Retrieved from <http://www.doingbusiness.org/data/exploreeconomies/vietnam/>
- ✓ The World Bank (July 2013). *Taking Stock: An update on Vietnam's recent economic developments*.
- ✓ The General Statistics Office of Vietnam (2013). *Socio-Economic situation in the first nine months of 2013*
- ✓ StoxPlus (May 2013). *Banking reforms: Vietnam Asset Management company*. Retrieved from <http://www.stoxplus.com/News/114390/1/186/banking-reforms-vietnam-asset-management-company.stox>
- ✓ Grant Thornton (2013). *Vietnam ranks 27<sup>th</sup> in "dynamism" study*. Retrieved from <http://www.gt.com.vn/download.php?info=press&submenu=289>



- ✓ AmchamVietnam (2013). *S&P Lowers Long-Term Foreign Currency Rating on Vietnam to BB-*. Retrieved from <http://www.amchamvietnam.com/4200/s-p-lowers-long-term-foreign-currency-rating-on-vietnam-to-bb/>
- ✓ Vietnam Foreign Investment Agency (August 2013). *FDI into Vietnam in the first 8 months of 2013*. Retrieved from <http://fia.mpi.gov.vn/News.aspx?ctl=newsdetail&aID=1512>
- ✓ Vietnam General Customs Office (September 2013)
- ✓ WTO Center, Vietnam Chamber of Commerce and Industry (2013). *Vietnam trade agreement*. Retrieved from <http://wtocenter.vn/>
- ✓ Sai Gon Giai Phong Daily News (July 2013). *WB lowers Vietnam's economic growth forecast to 5.3 percent for 2013*. Retrieved from <http://www.sai-gon-gpdaily.com.vn/National/2013/7/105615/>
- ✓ Chile Ministry of Foreign Affairs (2011). *Free Trade Agreement between Chile and Vietnam*. Retrieved from <http://chileabroad.gov.cl/vietnam/en/2011/11/14/tratado-de-libre-comercio-entre-chile-y-vietnam/>
- ✓ Association of Southeast Asian Nations (2013). *ASEAN Integration 2015*. Retrieved from <http://www.asean.org/communities/asean-economic-community>
- ✓ European delegation to Vietnam (2013). *Vietnam and EU free trade agreement*. Retrieved from <http://www.eeas.europa.eu/vietnam/>
- ✓ Foreign Affairs, Trade and Development Canada (2013). *Trans-Pacific Partnership Free Trade Agreement Partnership Negotiations*. Retrieved from <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/tpp-tp/inf.aspx?lang=eng>
- ✓ Global Times China (2013). *News Analysis: TPP will likely bring more challenges than benefits to Vietnam's footwear industry*. Retrieved from <http://www.globaltimes.cn/content/816227.shtml>
- ✓ The Central Institute for Economic Management (2012). *Vietnam and 5 years joining WTO*. Retrieved from [http://www.ciem.org.vn/home/vn/upload/info/attach/1365133646281\\_Tom\\_tat\\_BC\\_5\\_nam\\_\\_gia\\_nh\\_ap\\_WTO.pdf](http://www.ciem.org.vn/home/vn/upload/info/attach/1365133646281_Tom_tat_BC_5_nam__gia_nh_ap_WTO.pdf)
- ✓ Vietnam Briefing (2013). *Vietnam's Region and Key Economic Zones*. Retrieved from <http://www.vietnam-briefing.com/news/vietnams-regions-key-economic-zones.html/>
- ✓ Bao Quang Nam (2013). *Developing infrastructure to attract FDI*. Retrieved from <http://baoquangnam.com.vn/kinh-te/thoi-su-kinh-te/201309/cai-thien-ha-tang-thu-hut-fdi-382420/>
- ✓ Vietnam News (August 2013). *Central Province wins new FDI*. Retrieved from <http://vietnamnews.vn/economy/246149/central-province-wins-new-fdi.html>
- ✓ Da Nang Investment Promotion Center. *Da Nang Investment Environment*. Retrieved from [http://ipc.danang.gov.vn/modules/news/default.aspx?CategoryId=News\\_Investment\\_Environment&NewsId=-1](http://ipc.danang.gov.vn/modules/news/default.aspx?CategoryId=News_Investment_Environment&NewsId=-1)



### **About Us**

The Economic & Trade Mission at the Embassy of Israel in Vietnam aims to enhance the business relations between the two countries by arranging a wide range of activities through which mutual trust and cooperation can be achieved.

### **For Further information**

The Economic and Trade Mission, the Embassy of Israel in Vietnam

Add: 68 Nguyen Thai Hoc Str., Ba Dinh Dist., Hanoi, Vietnam

Tel: (84 4) 3843 3140 (ext. 513, 514)

Website: <http://itrade.gov.il/vietnam>

Email: [Vietnam@israeltrade.gov.il](mailto:Vietnam@israeltrade.gov.il)

Linkedin: <http://vn.linkedin.com/pub/israel-economic-trade-mission-in-vietnam/34/a93/839>

Facebook: <https://www.facebook.com/IsraelinVietnam>

Ho Chi Minh City Economic and Trade Office:

Email: [Israel.trade.hcmc@gmail.com](mailto:Israel.trade.hcmc@gmail.com)

### **Disclaimer:**

This review is not a recommendation to take action or refrain from taking an action. This document is for reference only.

**October 2013**