



AmCham Vietnam
Ho Chi Minh City Chapter

ASEAN • Việt Nam • Sài Gòn Area

Some Key Perspectives

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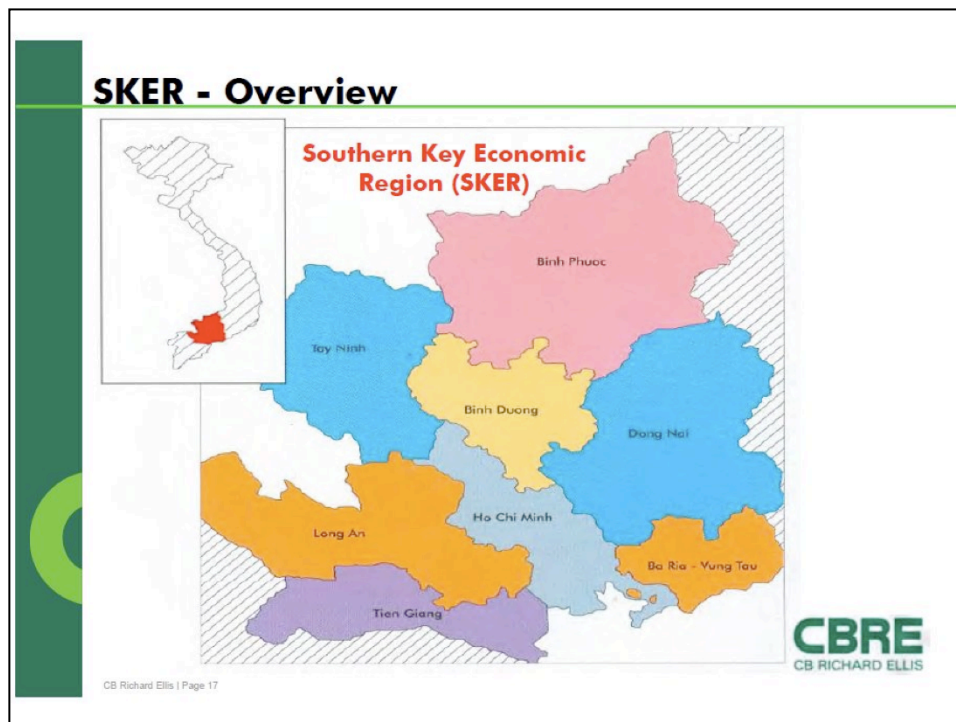
Presentation for: Asia Pacific Business Outlook
USC Marshall School of Business • U.S. Commerce Department
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The Saigon Area (or Southern Key Economic Region), with HCMC, Binh Duong, and Dong Nai at the center of FDI and development, is Vietnam's economic and business hub,

- 2/3 of international flight arrivals and departures,
- 80 percent of container shipments,
- 75 percent of consumption of steel products, and
- 40 percent of Vietnam's Gross Domestic Product.
- 2/3 of Crown's beverage can production (3.2 bil in Southern Vietnam vs 1.5 bil for Northern Vietnam) <http://www.amchamvietnam.com/4312>

2011, as or 2013 another plant completed in Da Nang 0.77 bil/yr

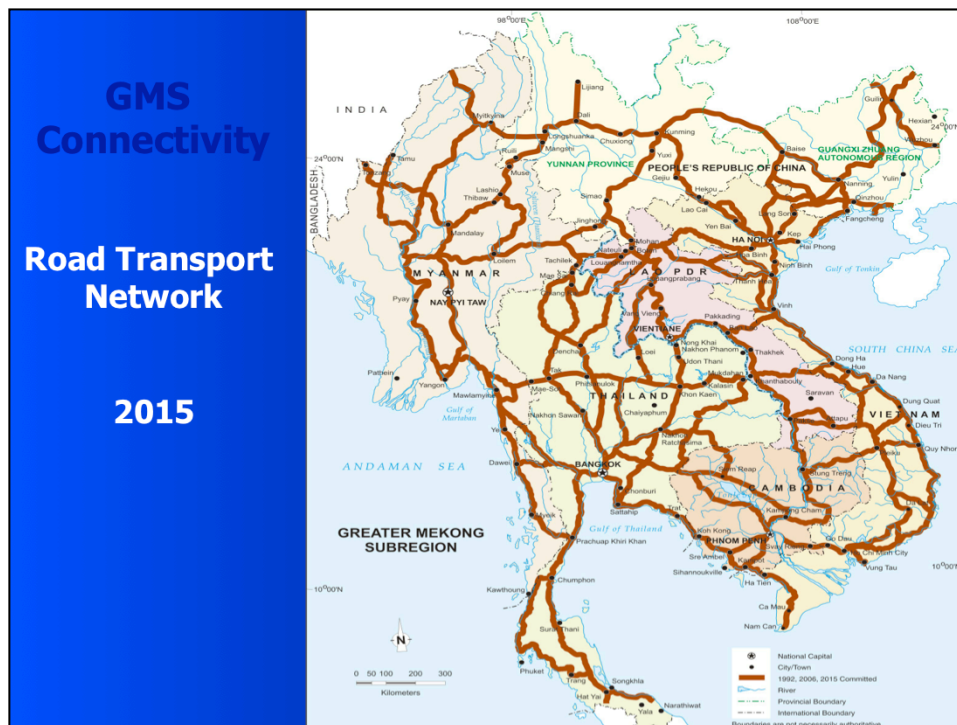
<http://www.foodandbeveragepackaging.com/articles/85419-crown-plans-to-build-new-beverage-can-plant>

The city center is 60 km (37 miles) from the Eastern Sea (South China Sea), with a population of about 5.6 million, or 6.7 million including the suburban and rural areas. The greater metropolitan area, is 9 million people. By 2020, the population of the **Southern Key Economic Region (SKER)** is projected to reach 20 million.

There are similar Central and Northern Key Economic Regions, but smaller.

Read more:

<http://www.amchamvietnam.com/3896/hcm-city-southern-key-economic->



An “Interstate Highway System” for the Greater Mekong Subregion (GMS). Will have a major impact on the transportation/distribution systems and the economic development of the region.

The Asian Development Bank (ADB) is supporting the development of infrastructure in the Greater Mekong Subregion, including transport infrastructure such as the East-West Corridor, North-South Corridor, as well as telecommunications and other supporting infrastructure.

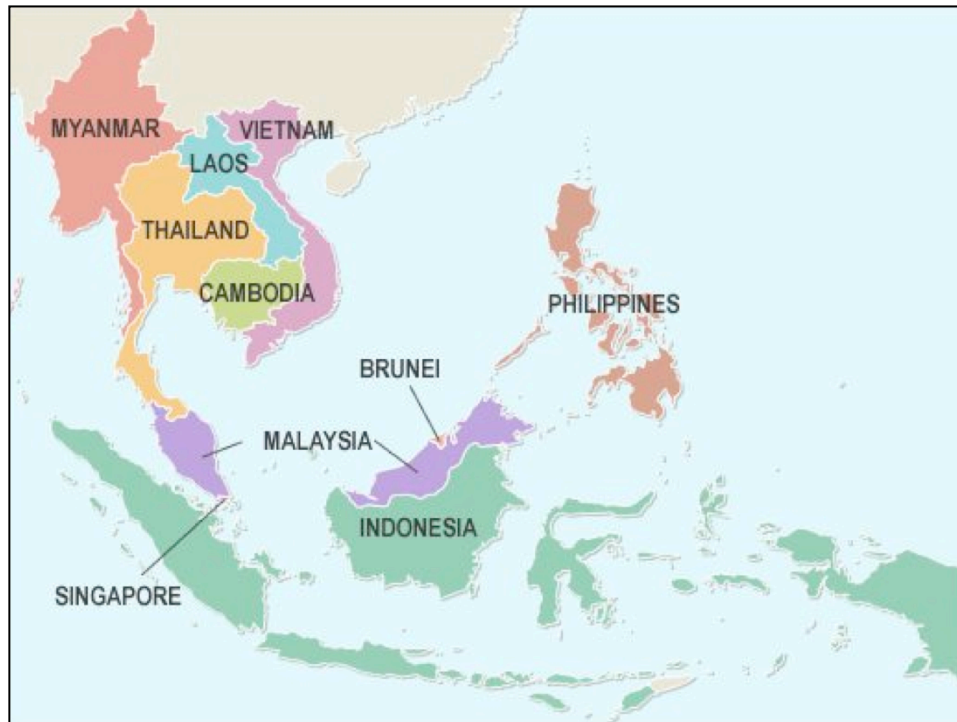
The ADB assistance strategy to Vietnam for the period 2007-2010 included a plan to provide US\$ 3 billion in 2007-2009., and \$10 billion 2010 – 2015.

<http://www.amchamvietnam.com/30443749/greater-mekong-subregion-gms-road-system-in-2015-adb/>

Japan and the Greater Mekong Subregion

<http://www.amchamvietnam.com/30439087/greater-mekong-subregion-gms-and-ameicc/>

Japan will commit about \$ 7.35 billion in official development assistance (ODA) to GMS countries in 2013-2015, and support these countries in meeting millennium development goals. In addition, Japan will mobilize financial resources worth about \$ 28.2 billion to carry out 57 infrastructure projects in the GMS countries.



ASEAN covers a land area of 4.46 million km², which is 3% of the total land area of Earth, and has a population of approximately 600 million people, which is 8.8% of the world's population. The sea area of ASEAN is about three times larger than its land counterpart. In 2010, its combined nominal GDP had grown to US\$1.8 trillion.[10] If ASEAN were a single entity, it would rank as the ninth largest economy in the world. http://en.wikipedia.org/wiki/Association_of_Southeast_Asian_Nations

With a population of about 600 million, and a combined nominal GDP of \$1.8 trillion, (\$3.0 trillion at PPP Purchasing Power Parity or PPE Purchasing Power Equivalent) which the ASEAN Economic Community Blueprint 2015 will transform into a single market and production base, with a free flow of goods, services, investment, skilled labour, and “freer” flow of capital, a highly competitive economic region, equitable economic development, and fully integrated into the global economy.

Read more ...

ASEAN Economic Blueprint 2015 <http://www.aseansec.org/5187-10.pdf>

White House Fact Sheet: ASEAN-United States Leaders Meeting

<http://www.amchamvietnam.com/5101>

Background Briefing on ASEAN, East Asia Summits

The slide features a blue background with a white curved graphic element on the right side. The title 'ASEAN Blueprint 2015' is written in large, bold, yellow and white letters. In the top right corner, there is a logo for AmCham Vietnam, Ho Chi Minh City Chapter, which includes a circular emblem with the ASEAN flag and the text 'AmCham Vietnam' and 'Ho Chi Minh City Chapter'.

ASEAN Blueprint 2015

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- A Single market and production base
 - Free flow of goods, services, investment, capital, skilled labour
 - Priority Integration Sectors
 - Food, Agriculture, Forestry
- B Competitive Economic Region
 - Competition Policy
 - Consumer Protection
 - Intellectual Property Rights (IPR)
 - Infrastructure Development
 - Taxation
 - e-Commerce
- C Equitable economic development
 - SMEs
 - ASEAN Integration
- D Integration into the Global Economy
 - Coordinated External Economic Relations
 - Enhanced participation in global supply chains

ASEAN Blueprint 2015 is very similar to TPP.

Read more ...

ASEAN Economic Community 2015

<http://www.asean.org/communities/asean-economic-community>

<http://www.asean.org/archive/5187-18.pdf>



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Vietnam's global integration ...

- BTA 1996 – Dec 2001
- WTO Accession 2002 – Jan 2007
- Apparel Trade 2002 – 2008
- Labour Relations 2008 – 2012
- Project 30: Administrative Reform 2009 – 2010
- 3rd and 4th Wave of US FDI 2007 – ongoing
- Trans-Pacific Partnership 2013 – ongoing
- ASEAN Blueprint 2015 2013 - ongoing
- WTO Trade Facilitation Agreement 2013 - ongoing

Key issues that AmCham have worked on over the years.

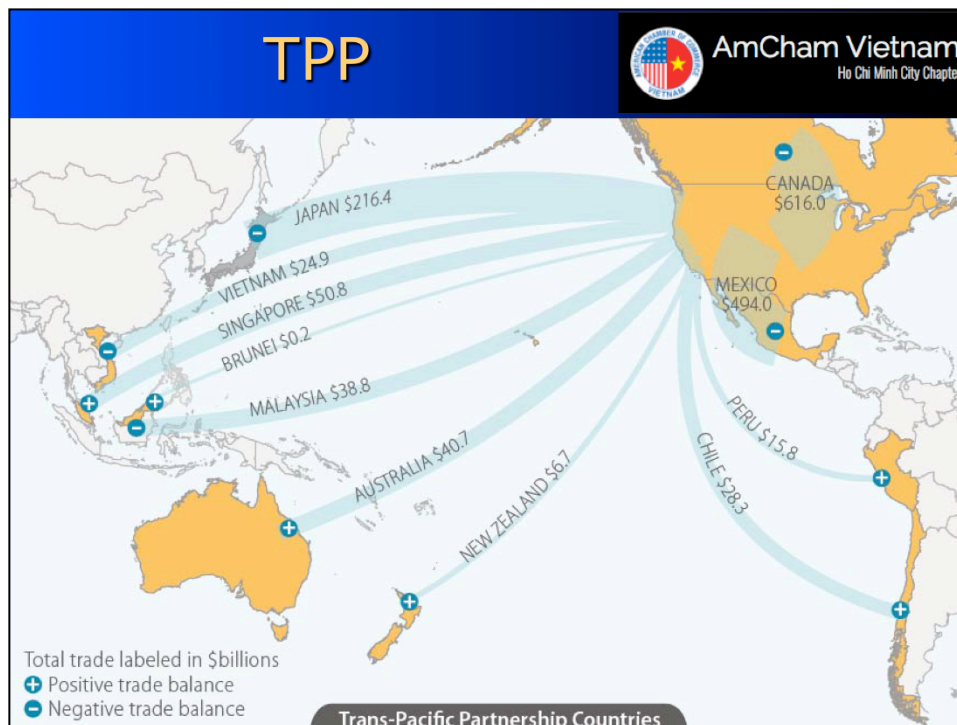
AmCham's objective is to promote trade and investment between Vietnam and the United States, in particular by working to improve business conditions. One of the key activities of AmCham, as provided for by the DECREE OF THE GOVERNMENT Promulgating the Regulations on the Establishment of Foreign Business Associations in Vietnam, Decree No. 08/1998/ND-CP, dated 22 January 1998, is:

"... to represent the Association in putting forth proposals and measures to Vietnamese state management authorities for the purpose of protecting the lawful rights and business of member businesses and contributing to the creation of a healthy business environment."

You can find AmCham proposals on policy and economic development issues at

<http://www.amchamvietnam.com/summary-of-issues-and-advocacy-2010-2013/>

Recent new issues: Price Control Law, Decree 46 and "Work Permits," Food Safety Law (FMCG), Law on Advertising (FMCG, F&B), Proposed Excise Tax on Carbonated Soft Drinks, Draft Decree on Medical Devices, Draft Decree on Direct Selling



TPP countries collectively represent, by far, the largest U.S. trading partner, accounting for 34% of overall U.S.

goods trade;

- U.S. FTAs already exist with the major U.S. trading partners among TPP participants, particularly Canada and

Mexico, which account for 84% of U.S. goods trade with TPP partners; and

- the agreement has the potential to expand in an economically important region and could soon include major

economies with which the United States does not have FTAs, such as Japan, which alone accounted for 6% of

total U.S. goods trade in 2012 and 7% of total U.S. services trade in 2011.

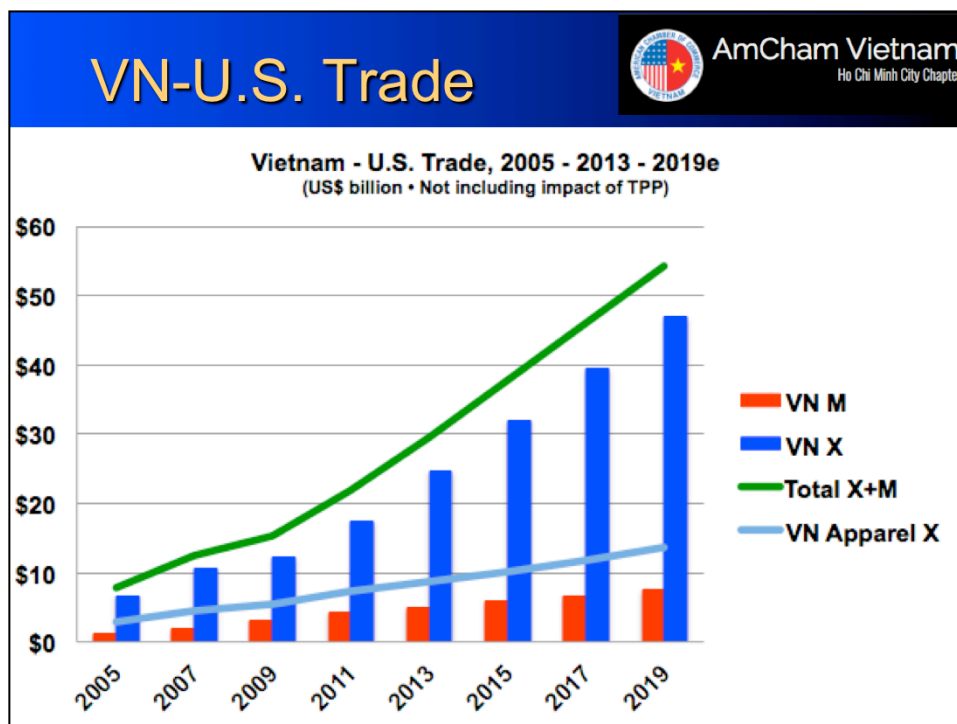
Additional Reading:

[Jul 17](#)

[TPP Workshop: Opportunities and Challenges, HUBA, HUFO, AmCham](#)

[Jul 10](#)

[TPP Seminar: LBC and AmCham – How Can VN Companies Become Suppliers to U.S. Buyers?](#)



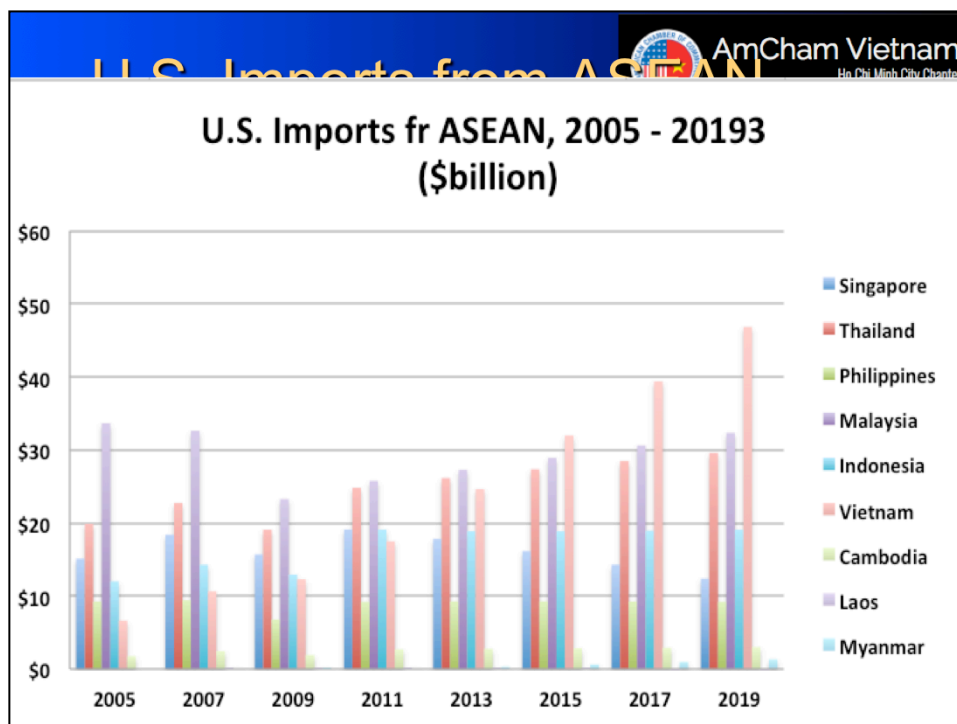
Let's start with a look back at total trade between Vietnam and the United States since 2005, with a projection to 2019.

From about \$7.8 billion in 2005 to \$29.7 billion in 2013, last year. And is projected to reach \$54.3 billion by 2019, even without TPP.

	2005	2007	2009	2011	2013	2015	2017	2019
VN M	\$1.2	\$1.9	\$3.1	\$4.3	\$5.0	\$5.8	\$6.6	\$7.5
VN X	\$6.6	\$10.6	\$12.3	\$17.5	\$24.6	\$32.0	\$39.4	\$46.9
Total X+M	\$7.8	\$12.5	\$15.4	\$21.8	\$29.7	\$37.8	\$46.1	\$54.3
VN Apparel X	\$2.9	\$4.6	\$5.3	\$7.2	\$8.8	\$10.2	\$11.9	\$13.5
VN Trade Surplus	-\$5.4	-\$8.7	-\$9.2	\$13.1	\$19.6	\$26.2	\$32.8	\$39.4
			\$2.4	\$2.3	\$1.9	\$2.0	\$1.9	\$1.6
VN Apparel Exports w/ TPP	\$2.9	\$4.6	\$5.3	\$7.2	\$8.8	\$11.40	\$16.20	\$20.83
VN Apparel/Total (%)	43%	43%	43%	41%	36%	32%	30%	29%
Change in total trade %	22%	30%	-2%	17%	19.2%	13%	10%	8%
Change in VN Imports %	3%	73%	11%	17%	8.8%	8%	7%	6%
Change in VN Exports %	26%	24%	-5%	18%	21.6%	14%	11%	9%

Source:

<http://www.amchamvietnam.com/30442680/vietnam-u-s-trade-status-2013-and-outlook-to-2021/>



Looking at ASEAN countries' exports to the U.S., Vietnam is now in the top three, with \$24.7 billion in 2013, along with Malaysia, \$27.3 billion and Thailand, \$26.2 billion.

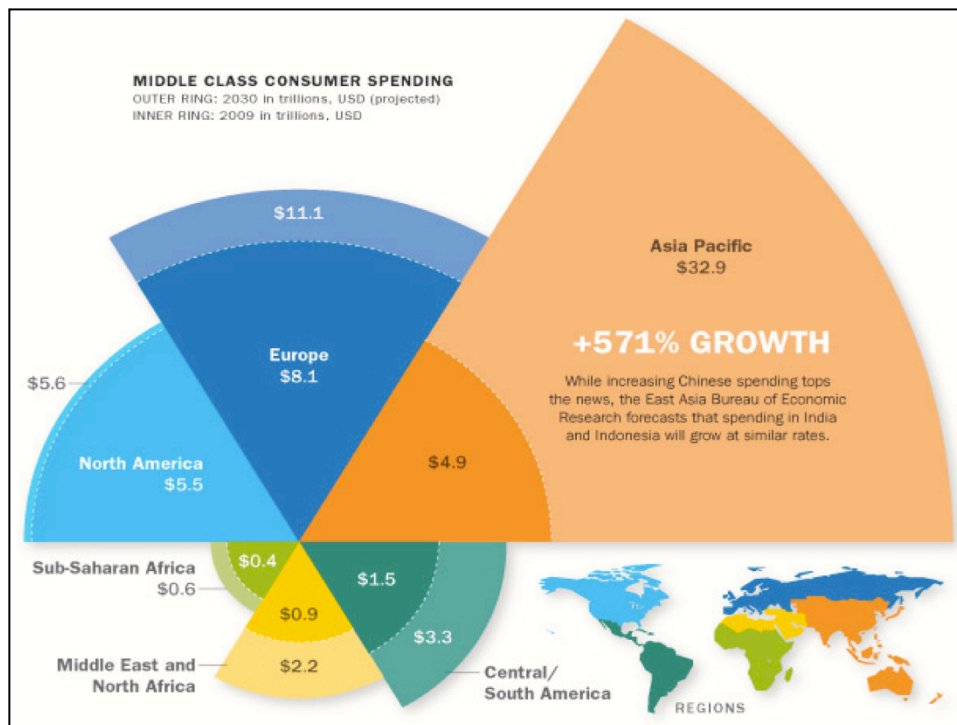
If present trends continue, Vietnam will be the top exporter to the U.S. by 2015, and will be substantially in the lead by 2019.

Will you be a part of this?

	2005	2007	2009	2011	2013	2015	2017	2019
Singapore	15.11	18.39	15.70	19.11	17.83	16.15	14.30	12.38
Thailand	19.89	22.75	19.09	24.83	26.17	27.37	28.51	29.62
Philippines	9.25	9.41	6.79	9.18	9.26	9.27	9.24	9.19
Malaysia	33.69	32.63	23.28	25.78	27.29	28.93	30.63	32.36
Indonesia	12.01	14.30	12.94	19.11	18.88	18.87	18.95	19.09
Vietnam	6.63	10.63	12.29	17.49	24.65	31.99	39.41	46.87
Cambodia	1.77	2.46	1.92	2.71	2.77	2.85	2.92	3.00
Laos		0.02	0.04	0.06	0.03	0.01	-0.02	-0.04
Myanmar		0.00	0.01	0.00	0.30	0.63	0.98	1.33
U.S. Imports	100.68	113.47	94.04	119.67	127.84	135.97	144.08	152.19

Source:

<http://www.amchamvietnam.com/30442680/vietnam-u-s-trade-status-2013-and-outlook-to-2021/>



Millions of newly affluent people in emerging economies are reshaping and resizing the global middle class. The world's middle class will swell from 2 billion to almost 5 billion by 2030, according to the OECD

For one, growth of both multinationals and the global economy will depend more and more on these emerging market consumers, especially in Asia. They are spending more on basic necessities like homes and food, but also extras such as meat, mobile phones, and air conditioners. Global middle-class spending should rise from \$21 trillion today to \$51 trillion in 2030.

Inner ring 2009, outer ring, 2030.

Source:

<http://www.amchamvietnam.com/30444239/the-emerging-middle-class-in-developing-countries/>



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