



## May 13: the aftermath; Vietnam: the FDI-driven economy; Mekong Delta seeks FDI

### FEATURES



#### Supporting and Assisting Affected Companies to Recover and Get Back on Track

On May 20, 2014, Prime Minister Nguyen Tan Dung chaired a discussion on how to support and help affected companies recover from the recent law-breaking actions in specific locations. After hearing reports by relevant ministries, agencies and municipalities, the Prime Minister gave the following conclusive instructions.



#### Vietnam's riots bill

Taiwanese businesses bore the brunt of riots, and are seeking compensation for the loss of life and property, along with assurances that Vietnam will provide security when, or if, the factories re-open. Taiwan's government is sending Taiwan's vice minister of economic affairs, to Vietnam. There's a possibility that some of the more than 200 Taiwanese factories that were attacked last week may not return. According to some reports, nearly 200 Taiwanese firms in the southern province of ...



#### Vietnam: the FDI-driven economy (FDI độc chiến)

FDI enterprises accounted for 67% of Vietnam's total export revenue in 2013, with an export growth rate of 22.4% vs 3.5% for domestic enterprises. The trade surplus over the last two years has been realized only thanks to the big export volumes of FDI enterprises. FDI enterprises were responsible for 44.2% of industrial production, while the private sector made up 36.2%. SOEs accounted for the remaining 19.6 percent.



#### Mekong Delta urged to reform plans to attract more investors

Yasuzumi Hirotsuka, JETRO CEO, said that he had taken part in many conferences about the issue, but nothing changed in reality. Although the Delta has abundant marine products, cheap labour and land-use costs, its marine industry was not advanced technologically, and its market and customer base are poorly developed. In addition, the low quality of infrastructure and services at industrial parks, the lack of local parts and materials, and poor transportation remained challenges in the area. ...



#### Thu, Jun 5: Mid-term Vietnam Business Forum 2014 in Hanoi

The Vietnam Business Forum Consortium, in collaboration with the Ministry of Planning and Investment, International Finance Corporation (IFC) and World Bank, will hold the Mid-term Vietnam Business Forum 2014 in Hanoi on June 5, 2014. The Forum will be an opportunity for a structured dialogue between the government, local and foreign businesses and the donor community to improve the business environment in Vietnam.

### Events



**AMCHAM  
PALOOZA**

Wed, May 28  
AmCham Palooza Party at Novotel



ICT Committee

Fri, May 30  
ICT Committee Breakfast Meeting



Legal Committee

Fri, Jun 06  
Arbitration In Vietnam:

## Saigon Centre, onTop Bar

AmCham will continue its series of monthly informal networking events at the coolest and latest nightspots in Ho Chi Minh City.

The monthly Palooza Party is a platform to develop new friendships, networking opportunities and information exchange. People from all age groups are welcome to attend - there's no age limit, you just have to be young at heart!

## (For ICT Companies Only)

The AmCham ICT Committee will share with you 2014-15 ICT Group Plan. Committee's Expert will provide update on relevant IT law/regulations.

You will also meet Anh Minh Do, Managing Editor in Vietnam for Tech in Asia, who will talk about the tech start up scene and compare to others in Asia and how American companies can get involved. <http://www.techinasia.com>

## Understanding The Process And Making It Work For Your Business

What are your options for dispute resolution in Vietnam? Many businesses are reluctant to arbitrate in Vietnam. Learn how to get comfortable with the process and find out if domestic arbitration is right for your business. Our speakers will discuss the advantages and disadvantages of arbitration in Vietnam versus offshore dispute resolution. If you are ready to arbitrate in Vietnam, learn how to make the process as efficient as possible.



20<sup>th</sup> Annual  
AmCham Independence Day Celebration and Family Picnic  
Saturday, June 28, 2014  
11:30am - 05:00pm  
Riverside Apartments  
53 Vo Truong Toan, Thao Dien, District 2

Join AmCham members, friends and family to enjoy a celebration of our traditional American holiday and cultural party. Besides live entertainment and games for kids of all ages with many nice prizes, there is an array of classic American food from many restaurants in HCMC. Free flow of cold beer, wine, soft drinks will also be served to cool you down. And many great lucky raffle prizes, including a couple of round trip tickets to the USA are waiting for you!

[More details and ticket booking](#)

## Committee Activities



### Hospitality & Tourism Committee (2nd Wed)

When: Wednesday, Jun 11, 2014 - 9:00am - 10:30am  
Where: Renaissance Riverside Hotel Saigon

### Food & Beverage Committee (3rd Thu)

When: Thursday, Jun 19, 2014 - 3:00pm - 5:00pm  
Where: New World Hotel Saigon

### Hospitality & Tourism Committee (2nd Wed)

When: Wednesday, Aug 13, 2014 - 9:00am - 10:30am  
Where: Renaissance Riverside Hotel Saigon

## Events, Meetings & Special Offers



### PRIZES Needed for Raffle of the 20th Annual AmCham U.S. Independence Day Celebration & Family Picnic in HCM City

The AmCham U.S. Independence Day is almost here! We need your help to provide prizes for the Raffle Prizes and Door Prizes. Prizes can be, but are not limited to, hotel stays, dining vouchers, gift sets, toy, premium items, ...

As a donor to our event, your company logo will be displayed in our event page on website and event banner. If interest, please contact [Ms. Lily Nguyen](#).

### Korean Air Launches Service to Houston



Korean Air, America's largest Asian airline, is launching nonstop service between Houston's George Bush Intercontinental Airport (IAH) and Incheon International Airport in Seoul, beginning in May 2014. The inaugural flight will take place on May 2, with service aboard a B777-200 aircraft. Nonstop flights connecting the two destinations will depart from the Terminal D facility at Bush Intercontinental Airport (at 10:40 am) every Monday, Wednesday, Friday and Saturday. More on Korean Air's programs, routes, frequencies and partners is available at [www.koreanair.com](http://www.koreanair.com).

### Networking Opportunities with AmCham HCMC



AmCham HCMC offers many opportunities to market your company's products and services to AmCham members, the business community and the general public. Our services include:

- Event Sponsorship
- Event Management Support
- Network (Advertise) on AmCham's website: plus 5.9k twitter followers, 4.3k facebook fans
- Announcement in Weekly Email: 4,500+ AmCham company representatives and subscribers.

**AmCham Member Companies are offered 3 compliment announcements in 2014.**

- Print advertising in AmCham Membership Directory

## News and Issues Updates



### EY announcement: We are now providing Legal Services in Vietnam

In addition to Assurance, Tax, Transactions and Advisory Services, EY provides Legal Services in more than 50 jurisdictions in the world with more than 1,000 lawyers. 2014 marks EY Law's expansion into the Asia Pacific in China, Singapore, Indonesia, Japan, Australia, Taiwan, Korea and Vietnam.

We are now providing Legal Services in Vietnam with a team that has multi-industry and multi-jurisdictional experience. Our Legal Services professionals have worked in private practice as well as in-house for private and public companies.

For queries, please contact Thao Hung Nguyen - Director of Legal Services at [thao.hung.nguyen@vn.ey.com](mailto:thao.hung.nguyen@vn.ey.com)



### Strengthening the competitiveness of Ho Chi Minh City with remarkable welcoming the first 50,000 DWT vessel to HCMC through Soai Rap Channel and SPCT port

A new chapter of economic development in general, and marine transportation in particular of HCMC has been opened by the successfully arrival of Northern Genius, a 50,000 DWT and 263 m long vessel in SPCT deep sea port through Soai Rap channel which is located just 3 km from Long Hau industrial park.

### Supply Chain Disruptions: Invoking "Force Majeure"

Disruptions to the supply chain resulting from events of "Force Majeure" (sometimes referred to as "Acts of God") are a likely consequence of recent events in Vietnam. Contracting parties need to know how the doctrine applies, and how to invoke it in case they have trouble fulfilling their contracts as a result of an event of Force Majeure. For more information, please click the link above.

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### Facing rising costs, Japanese firms saying sayonara to China

Chinese wages have climbed so much that they now stand 90% above those in the Philippines and 150% above Vietnam's. That, combined with the yuan's appreciation against the yen, presents a double whammy for Japanese manufacturers making goods in China. And many are concluding that their "made-in-China" policy no longer makes financial sense.



### 25,000,000 facebook users in Vietnam, including political leaders

Tran Lien Phuong, research director at Epinion Vietnam, said social media in Vietnam is growing fast, with the number of subscribers doubling each year. The facebook social network is the favorite channel for sharing information (78%), followed by email (44%) and free messaging applications like Viber, Skype and Zalo (21%).



### Vietnam sets textiles plan to 2020, vision to 2030 - TPP is key

Vietnam aims to achieve 55 per cent local content (yarn-forward) by 2015, which will increase to 65 per cent and 70 per cent by 2020 and 2030 respectively. The US is the largest importer of Vietnamese textiles and apparel, accounting for 48% of the industry's total export revenue. Vietnamese textile and apparel products will enjoy zero per cent tax rate in the US and EU when the TPP and EU-VN FTA are signed. At present, the average tax rates are 17.5 per cent and 9.6 per cent in these two markets,

### U.S. Labor Enforcement Case Against Guatemala

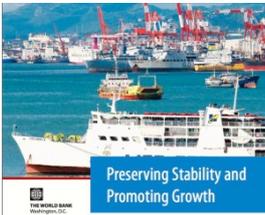
The dispute settlement process in the 2011 labor enforcement case brought under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) will not be terminated and will remain suspended for an additional four months as the United States seeks further progress by Guatemala on its labor obligations under the CAFTA-DR.

Ambassador Froman recognized steps taken by Guatemala under the 2013 Enforcement Plan, but noted that the United States has not seen sufficient progress to close the case.



### World Bank Economic Update for Vietnam, April 2010





Vietnam's macroeconomic performance further improved during 2013, but economic growth continued to fall below its potential in the face of structural problems in SOEs and the banking sector, and due to policy distortions that continue to thwart domestic private investment and competition in key sectors. Gains in macroeconomic stability were underpinned by moderating inflation and strengthening external accounts. Growth is estimated at 5.4 percent in 2013, a slight improvement from 5.3 percent in 2012. The government is facing growing fiscal challenges due to sluggish revenue collection. Growth is likely to remain moderate in 2014 in the absence of visible progress in addressing the mentioned structural problems. ...



### USTR Froman Explains Trade Policy

U.S. exports increased to a record high of \$2.3 trillion in 2013, contributing to a third of our total economic growth. 11.3 million Americans now owe their jobs to exports, and those jobs pay 13-18 percent more on average than non-export related jobs. Last week, the United States and Japan crossed an important threshold in our bilateral market access discussions. In doing so, we have identified a path forward on agriculture and autos, two of the most challenging areas of our negotiations with Japan. Although work remains to close the gaps, this milestone achievement will provide significant momentum to the overall TPP negotiations. We are working to ensure that TPP will open markets for U.S. goods and services, include strong and enforceable labor and environmental commitments, promote strong IP protection, and include groundbreaking rules on issues like SOEs and the digital economy.



### Vietnam's GNP would increase by 13.6%/yr, exports by 37.3%/yr with TPP

Vietnam's economic growth could reach 13.6%/yr by 2025 thanks to reforms and tariffs removals brought by the TPP, a Harvard professor said at a conference organized by Vietnam's foreign ministry and the UNDP.

TPP has entered its final rounds of negotiation between 12 countries. Once effective, it will cut import tariffs in the US, the biggest buyers of Vietnam's leading export, apparel and textiles, from 17-32% now to zero.

Changes like that could drive Vietnam's annual GDP growth to 13.6% in 2025, and annual export growth to 37.3%.

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