

**SINGAPORE AND VIETNAM PLEDGE TO STEP UP
THE PACE OF ECONOMIC COOPERATION,
AMIDST STRONG-THRIVING BILATERAL RELATIONS**

1. Minister for Trade and Industry, Lim Hng Kiang, and Vietnam's Minister of Planning and Investment, Vo Hong Phuc, convened the 5th Connectivity Ministerial Meeting in Da Lat City, Vietnam, today.
2. The Ministers affirmed both countries' commitment to expand economic cooperation and further strengthen the strong bilateral relations. Both sides acknowledged the excellent cooperation achieved thus far and noted that this underscores the effectiveness of Connectivity as the overarching bilateral economic cooperation framework. The Ministers also expressed confidence that there remains good potential for both countries to improve economic collaboration. As Vietnam continues to transform and develop its economy, Vietnam could leverage on Singapore's strengths in physical connectivity through air and sea linkages as well as modern services such as finance and info-communications, to connect with the global economy.
Financial Services
3. Both Ministers acknowledged the good progress in the area of financial services. Efforts by both financial bodies in facilitating capacity building and knowledge sharing for Vietnam were also highlighted. Since the last review in July 2009, there has also been increased activity of Singapore financial institutions in Vietnam. In January 2010, DBS was awarded its licence to set up a branch in Vietnam. Other Singapore banks such as OCBC and UOB are also committed to contribute to the growth of Vietnam's financial sector through their on-going banking applications to establish subsidiaries. In the

area of capital markets, the Monetary Authority of Singapore and Singapore Exchange are also working closely with Vietnam's securities regulators to facilitate the dual-listings of Vietnam enterprises on the Singapore Exchange.

Tourism Collaboration

4. Singapore and Vietnam enjoy strong cooperation in the tourism sector. Both countries share a bilateral tourism cooperation Memorandum of Understanding that was signed in 1994. Engagements in this area have been successful and both sides are exploring new opportunities for collaboration. Minister Lim encouraged Vietnam to continue to develop ports of call to tap into the region's growing cruise tourism industry and leverage on Singapore's cruise hub status to offer unique value propositions to cruise tourists. Both Ministers also witnessed the signing of a Memorandum of Understanding between Singapore Cruise Centre and Danang Port Authority to further cooperation in developing cruise services in the region.

Global Connectivity

5. Both sides recognised the importance of enhancing physical connectivity between Singapore and Vietnam. Minister Lim pointed out that Vietnam can tap on Singapore's connectivity to global markets and embark on its own efforts toward greater internationalisation. Both Ministers also acknowledged the good progress made in the maritime and aviation sectors. They observed that in the maritime sector, PSA-Saigon Port container terminal joint venture has been making steady progress. There was also agreement on both sides to continue to review our bilateral maritime agreement to ensure that it is up to date and relevant to the maritime needs of the region.

6. In the aviation sector, both Ministers were pleased to note that Singapore and Vietnam have already liberalised air access for passenger services between our two countries ahead of and beyond the ASEAN Roadmap for Integration of Air Travel Sector (or RIATS, which provides for a phasing-in of unlimited passenger services among capital cities by December 2010). At the same time, they agree that there was scope to explore further liberalisation in both passenger and freighter services. Commercially, Changi Airport International (CAI)'s interests in Phu Bai and Long Thanh International Airports also serve to strengthen the aviation connection between both countries.

7. To enable Vietnam to access the world, and the world to access the Vietnamese market, both Ministers agreed that, in today's globalised economy, connectivity means more than just physical connections through air and sea linkages. It is also about modern services such as finance and info-communications to facilitate world-wide business operations. Both Ministers agreed to enhance cooperation in modern services sector through increased exchanges, and enhancement of business linkages.

Facilitating Investments

8. The Ministers were also confident that investments between both countries would continue to grow under Vietnam's support and facilitation through the Connectivity framework. Singapore is one of the largest investors into Vietnam, with close to 800 projects in Vietnam worth more than US\$17 billion in 2009. Challenges faced by several Singapore projects were surfaced for facilitation by Vietnam's Office of Government. Both Ministers noted that the projects listed, such as Ascendas' industrial park in Binh Dung Province and Keppel Seghers' waste-to-energy development in Ho Chi Minh City, are important projects that will be mutually beneficial to both sides.

Through these projects that span wide-ranging sectors, Singapore players will continue to play a part in contributing to Vietnam's growth and development.

9. The Ministers agreed that the next meeting will be held in Singapore, in November 2010.

Ministry of Trade and Industry

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