

SINGAPORE AND VIETNAM ENHANCE ECONOMIC COLLABORATION AND BILATERAL ECONOMIC TIES

Singapore and Vietnam will continue to seek greater economic collaboration and forge stronger bilateral economic ties. This was highlighted during the 10th Singapore-Vietnam Connectivity Ministerial Meeting that was successfully concluded in Singapore today. Minister for Trade and Industry Lim Hng Kiang co-chaired the meeting with Vietnam Minister of Planning and Investment Bui Quang Vinh.

As Vietnam continues to liberalise and develop its economy, Singapore companies can contribute and participate in Vietnam's economic development in a wide range of sectors, including urban solutions, retail and food services, logistics, telecommunications as well as tourism and hospitality.

Noting the strong growth in bilateral trade and investment services between the two countries over the past decade, both sides agreed that there is potential to deepen and expand bilateral economic collaboration.

Mr Lim said, "Vietnam and Singapore are long-term trade and investment partners. With urbanisation and rapid economic growth in Vietnam, there is scope for further collaboration between the two countries in a diverse range of sectors. I encourage companies to continue exploring business opportunities in Vietnam."

Bilateral trade has grown steadily over the last decade, achieving a three-fold increase since 2003 to reach S\$17.4 billion in 2013. As of March 2014, Singapore is the third largest foreign investor in Vietnam, with about US\$30.2 billion in registered cumulative investments in 1,258 projects¹.

The Singapore-Vietnam Connectivity Framework Agreement is an overarching bilateral economic cooperation framework between Singapore and Vietnam. During the meeting, both sides noted good progress made across the six pillars of Connectivity, namely: (i) Finance (ii) Education & Training (iii) Transportation (iv) Investment (v) Information technology and telecommunications (vi) Trade & Services.

In conjunction with the 10th Singapore-Vietnam Connectivity Ministerial Meeting, International Enterprise (IE) Singapore and the Singapore Business Federation (SBF) jointly organised the Vietnam Investment Update Session on 28 April 2014, where Minister Bui Quang Vinh delivered the keynote address.

Singapore companies have been active in Vietnam. Recent projects include Banyan Tree's Laguna Lang Co Resort in Thua-Thien Hue province, Vietnam's first and largest integrated resort, and NTUC's first joint-venture hypermarket in Ho Chi Minh City. The ground breaking ceremony for the 5th Vietnam-Singapore Industrial Park in Quang Ngai province was held in September last year. Other upcoming projects

¹ Source: Vietnam's Foreign Investment Agency

include Singapore real estate developer Mapletree's project to develop SC VivoCity, a one-stop 'family- lifestyle–destination' mall as well as Keppel Land's development of Saigon Centre Phase 2 with Takashimaya as the anchor retail tenant. Both projects are in Ho Chi Minh City.

ANNEX A: About the Singapore-Vietnam Connectivity Framework Agreement
ANNEX B: Supplemental Information on the Vietnam Investment Update Session

MINISTRY OF TRADE AND INDUSTRY
29 APRIL 2014

About the Singapore-Vietnam Connectivity Framework Agreement

Established in December 2005, the Singapore-Vietnam Connectivity Framework Agreement is the key platform for economic cooperation between Singapore and Vietnam. The co-chairs of the Connectivity Ministerial Meeting are Minister for Trade and Industry Mr Lim Hng Kiang, and Vietnamese Minister of Planning and Investment, Bui Quang Vinh. The Connectivity meeting aims to review the progress of the six sectors of cooperation under the framework, namely, education and training, finance, information technology and telecommunications, investment, trade and services, and transportation.

Since its implementation in early 2006, the Connectivity Framework has successfully facilitated several private sector projects into Vietnam, and directly or indirectly contributed to the US\$21 billion worth of Singapore's registered investments into Vietnam. The projects include the development of the Vietnam-Singapore Industrial Parks (VSIP), PSA's joint venture with Saigon Port to build and operate a deep-sea container terminal in the Ba Ria-Vung Tau province as well as the establishment of branch offices by Singapore banks in Vietnam.

The Connectivity Framework has also strengthened public sector cooperation in all six sectors. For example, Singapore agencies have organised a wide range of capacity building programmes for Vietnamese officials in urban development, education and civil aviation, amongst others. The agencies have also facilitated study visits and seminars to share Singapore's experience in areas such as ICT regulations, monetary policy and technical education.

Singapore-Vietnam Economic Relations

Bilateral trade between Singapore and Vietnam has grown steadily over the last decade, with a three-fold increase since 2003 to reach S\$17.4 billion in 2013.

As of March 2014, Singapore is the third largest foreign investor in Vietnam, with about US\$30.2 billion in registered cumulative investments in 1,258 projects. Major Singapore companies in Vietnam include Keppel Land, UOL Group, Ascott Group, CapitaLand, SembCorp Industrial Parks, Mapletree Investments, Banyan Tree, YCH Group, PSA, Ascendas and Neptune Orient Lines Group.

Singapore companies explore partnerships through Vietnam Investment Update Session

Vietnam's Minister of Planning and Investment Bui Quang Vinh met with over 100 participants from Singapore companies at the Vietnam Investment Update Session on 28 April 2014. Jointly organised by International Enterprise (IE) Singapore² and the Singapore Business Federation (SBF), the session discussed the economic issues facing Vietnam today and shared investment opportunities for Singapore companies in Vietnam.

Singapore companies that attended the session were from the real estate development, manufacturing, food services, retail, hospitality, finance and banking as well as logistics sectors.

Vietnam's economy has undergone a challenging period over the past few years, but it has been showing signs of recovery. In 2013, Vietnam's GDP grew 5.4%, higher than the 5.2% in 2012. Inflation was 6% in 2013, down from 6.8% in 2012³.

While recovery remains gradual, Vietnam is putting in place reforms in its banking and state-owned sectors to boost investor confidence. The country's strong economic fundamentals – a growing, young working population and rich endowment of agricultural land, mineral wealth, and oil and gas resources – remain attractive factors for foreign investors, including those from Singapore.

² IE Singapore facilitates business partnerships for Singapore companies in Vietnam through seminars, business missions and other assistance. The agency has two overseas centres in Vietnam – Ho Chi Minh City and Hanoi.

³ Source: General Statistics Office of Vietnam