

For Immediate Release

SINGAPORE AND VIETNAM FORGE STRONGER ECONOMIC COLLABORATION

1. Minister for Trade and Industry Lim Hng Kiang visited Hue, Vietnam from 16th to 17th April 2015 to co-chair the 11th Singapore-Vietnam Connectivity Ministerial Meeting with his Vietnam counterpart, Minister of Planning and Investment Bui Quang Vinh. This annual platform is a cornerstone of bilateral economic relations between Singapore and Vietnam.

Agreements on Cruise Tourism and Investment Facilitation

2. Two new agreements covering cruise tourism and investment facilitation were signed at the 11th Connectivity Ministerial Meeting. Both Ministers welcomed the good progress made across the six pillars of cooperation under the Singapore-Vietnam Connectivity Framework Agreement since it was established in December 2005.

Memorandum of Cooperation on Cruise Tourism

3. The Memorandum of Cooperation (MOC) covering collaboration in cruise tourism was signed between Singapore Tourism Board and Vietnam National Tourism Agency. This is a significant milestone that will further enable Southeast Asia to tap on the potential of more than 2 million cruise passengers travelling on some 980 Asia-to-Asia cruise products in 2015¹. The MOC is also a significant step towards ASEAN realising its full potential as the world's next cruising region.

4. Under the MOC, Singapore and Vietnam will conduct activities such as cruise workshops and encourage exchange of information on regional cruise tourism developments. It will not only provide Vietnam with further expertise to develop their cruise industry, but also help spur the development of the industry in Southeast Asia.

Memorandum of Understanding on Investment Facilitation

5. The Memorandum of Understanding (MOU) focuses on collaboration between Singapore's United Overseas Bank (UOB) and Vietnam's Foreign Investment Agency (FIA), to facilitate investments into Vietnam via UOB's Foreign Direct Investment (FDI) advisory unit in Ho Chi Minh City. This advisory unit provides a dedicated service to companies expanding into and out of Vietnam, by offering access to UOB's full suite of banking solutions, network and strategic partners such as professional service providers and business associations.

¹ Cruise Lines International Association (CLIA) study 2014 on Asia Cruise Trends.

Closer Bilateral Ties

6. Mr Lim Hng Kiang welcomed the strong collaboration to foster closer economic ties between the two countries. “Since its establishment in 2005, the Connectivity Framework has facilitated Singapore investments into Vietnam and improved linkages in sectors such as finance and information communication services between both countries. People-to-people links have also improved in the education sector. There is scope to deepen economic collaboration. Singapore companies can contribute to 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,” he said.

7. Both Ministers were also pleased with the strong growth in bilateral trade and investment activities. In 2014, Singapore was Vietnam’s third largest foreign investor, with approximately US\$32.7 billion in registered cumulative investments². Bilateral trade has also grown steadily over the last decade. In 2014, it rose by 17% year-on-year to reach S\$20.4 billion, making Vietnam, Singapore’s 13th largest trading partner.

8. During his visit, Mr Lim also met Mr Nguyen Ngoc Thien, Party Secretary of Thua Thien – Hue Province, and Mr Nguyen Van Cao, Chairman of the People's Committee of the Thua Thien - Hue Province. Mr Lim concludes his visit to Vietnam today.

(ANNEX A: About the Singapore-Vietnam Connectivity Framework Agreement)

²Source: Vietnam’s Foreign Investment Agency



Minister for Trade and Industry Lim Hng Kiang and Vietnam Minister of Planning and Investment Bui Quang Vinh (second from left) witnessing the signing of the Memorandum of Cooperation on cruise tourism between Singapore Tourism Board and Vietnam National Administration of Tourism at the 11th Singapore-Vietnam Connectivity Ministerial Meeting held on 17 April 2015, at Hue, Vietnam.



Minister for Trade and Industry Lim Hng Kiang and Vietnam Minister of Planning and Investment Bui Quang Vinh (second from left) witnessing the signing of the Memorandum of Understanding on investment facilitation between United Overseas Bank and Vietnam Foreign Investment Agency at the 11th Singapore-Vietnam Connectivity Ministerial Meeting held on 17 April 2015, at Hue, Vietnam.

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ANNEX A

About the Singapore-Vietnam Connectivity Framework

Established in December 2005, the *Singapore-Vietnam Connectivity Framework* is an overarching bilateral economic cooperation platform between Singapore and Vietnam. Mr Lim Hng Kiang, Minister for Trade and Industry, Singapore and Mr Bui Quang Vinh, Minister of Planning and Investment, Vietnam, are the co-chairs of the platform. The Connectivity Ministerial Meetings 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 on an annual basis.

Since its implementation in early 2006, the Connectivity platform has successfully facilitated several private sector projects 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 platform 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 increased close to 70% in the last five years, reaching S\$20.4 billion in 2014.

As of 2014, Singapore is the third largest investor in Vietnam with a total investment of US\$32.7 billion. Major Singapore companies in Vietnam include Keppel Land, UOL Group, Ascott Group, CapitaLand, SembCorp Industrial Parks, Mapletree Investments, Banyan Tree, Ascendas and NOL Group.