

Vietnam Today



July/August 2012

Embassy of the Socialist Republic of Vietnam in the United States of America

Ambassador's Message

Welcome to the first issue of Vietnam Today - the newsletter published by the Embassy of Vietnam in Washington D.C.

To further mutual understanding and friendship and to help you learn more about Vietnam, the Embassy of the Socialist Republic of Vietnam would like to introduce Vietnam Today. It is our hope that this bi-monthly newsletter would provide you with update and reliable information about Vietnam and Vietnam-US relations.

We look forward to providing you with further information and welcome your comments.

Thank you.

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CPV General Secretary Nguyen Phu Trong urges greater cooperation between Vietnam and US

The Vietnamese Party leader has suggested the US increase the exchange of delegations at all levels and boost cooperation with Vietnam within existing frameworks and in the fields of economics, trade, investment, science, technology, education-training, environmental protection and climate change management.

General Secretary of the Communist Party of Vietnam (CPV) Nguyen Phu Trong made the suggestion at a reception given to visiting US Secretary of State Hillary Clinton in Hanoi on July 10.

Welcoming the visit, the third made by Clinton since 2010, the CPV leader said he is pleased



CPV General Secretary Nguyen Phu Trong greets Secretary Clinton in Hanoi, 7/2012

with the progresses of the two countries' multifaceted cooperation, especially in economic and trade area, since establishing diplomatic ties in 1995. While stressing Vietnam's consistent for-

eign policy of peaceful independence, self-reliance, peace, cooperation and development, multilateralisation and diversification of relations, and active and the

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Prime Minister Nguyen Tan Dung: Viet Nam and the US to build greater trust and improve ties

Viet Nam and the US need to strive more in trust-building process and elevation of bilateral co-operative ties, Prime Minister Nguyen Tan Dung told the US Defense Secretary Leon Edward Panetta in Hanoi on June

4th.

PM Dung said that Viet Nam always reckons the US as a leading partner of great importance, and hopes the US - as an Asia Pacific power - will actively contribute to main-

taining peace, security, stability, co-operation and development in the region.

PM Dung also said Viet Nam wants, together with the US, to elevate

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Prime Minister Nguyen Tan Dung: Viet Nam, US need to build greater trust, improve ties

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Prime Minister Nguyen Tan Dung and Secretary Panetta in Hanoi, 6/2012

bilateral relations, particularly in terms of economics, trade, investment, science, technology, education and training. He also appreciated positive development in the Vietnam-US ties since the two countries normalized diplomatic relations in 1995.

The country also expects to boost co-operation with the US in regional and global concerns, including terrorism,

trans-national crimes, proliferation of mass destruction weapons and climate change. PM Dung also said the US Government should lift the ban on selling weapons to Viet Nam, and work more in resolving war consequences.

Secretary Panetta said the US Government attached a great importance in boosting ties with Vietnam under its Asia-Pacific policy. He also expressed his wish to expand co-operation between the two countries on various aspects, especially in security and defense.

CPV General Secretary urges cooperation between Vietnam and US

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proactive international integration, Trong affirmed that the US is an important partner of Vietnam.

Clinton expressed her pleasure to return to Vietnam and witness the country's achievements in its renewal process, national construction and development over recent years.

She highly valued Vietnam's increasing position and role in the region and in the world, affirming that the US administration wants to further strengthen effective multifaceted cooperation within regional mechanisms and countries, including

Vietnam.

At the meeting, Trong and Clinton exchanged views on regional and international issues of common concern.

The strong development of economic, trade, educational and training relations between the two countries is encouraging US businesses to invest in the Vietnamese market

National Assembly Vice Chairwoman visits the US

Vietnamese National Assembly Vice Chairwoman Nguyen Thi Kim Ngan paid a three-day working visit to the US from June 24th to 26th.

In her meetings



Vice Chairwoman Ngan met with US Senate President Pro-tempore Inouye

with US Senators, Vice Chairwoman Ngan highlighted the leading role and contributions by the US Congress to expanding and bolstering bilat-

eral co-operation between the legislative bodies of Vietnam and the US.

The members of the US Congress praised Vietnam for its determination to continue the renewal process and its moves to stabilize the macro-economy, control inflation and ensure social welfare.

Science and Technology Innovation Forum held in Washington DC

A forum on “science and technology innovation – opportunities for Vietnam and US cooperation” took place in Vietnam House in Washington on June 22.

Addressing the event, Vietnamese Ambassador to the US Nguyen Quoc Cuong said there were great potentials for Vietnam and the US to cooperate in science and technology. The relationship had seen positive developments since the two countries inked a science and technology cooperation agreement in 2000. At present, the two countries’ scientists have cooperated in various fields, including information technology, telecommunications, environment, climate change, oceanography, bio-technology, air space research and nuclear energy development.

Minister of Science and Technology Nguyen Quan, who gave an opening

remarks at the forum said that the Vietnamese Government would earmark two percent of GDP for science and technology by 2020.



Science and Technology Innovation Forum in Washington

From now until 2020, the country’s science and technology sector would prioritise the development of information technology, bio-technology and energy technology apart from

Internet security, defense technology, space technology, ocean and the environment, the minister said.

Science and Technology Adviser to the Secretary of State William Colglazier suggested Vietnam invest in increasing the quality of general and tertiary education, as well as university and national laboratories.

About 70 Vietnamese and US participants attended the forum.

Forum on US - ASEAN Relationship

Vietnamese Embassy and the Roundtable on Southeast Asia jointly held the second Vietnam Forum on US-ASEAN relations on May 10.

Nirav Patel, Deputy Assistant Secretary of State for Strategy and Multilateral Affairs, delivered a speech on the Barrack Obama administration’s foreign policy towards the Asia-Pacific region in general and ASEAN in particular.

He said that the US has been making a lot of effort to boost comprehensive cooperation with Asia-Pacific countries, not only in politics and security but also in economics, trade and investment. This strategy focuses on cooperation with ASEAN because of the organization’s role and geo-political position.

Seminar on US investment

A seminar on investment in Vietnam’s northern province of Vinh Phuc was held on July 23.

Vinh Phuc is one of the localities with highest economic growth in Vietnam, posting a yearly average rate of 17 percent, said Ambassador Nguyen Quoc Cuong. The province has attracted a number of foreign investors but not many of them come from the US.

Vinh Phuc representatives pledged to provide support to foreign investors, saying that the province will consider them as its “citizens.” Participants were briefed on the province’s advantages, potentials and preferential treatments. They also shared experiences from US localities and suggested how to make the province more attractive to businesses.

S&P revised outlook for Vietnam to stable from negative

The revision was due to the government’s successful drive to bring down sky-rocketing inflation. “The outlook revision reflects our assessment of a reduction in the risks to macroeconomic and financial sta-



bility in Vietnam” due to this tight credit policy, said the agency’s statement.

Viet Nam last year had to switch its focus from economic growth to stabilization to deal with

Ambassador Nguyen Quoc Cuong visits Alabama and Georgia

During his visit from 13th-15th June, Ambassador Nguyen Quoc Cuong called on the Governor of Alabama, Mr. Robert J. Bentley and the Governor of Georgia, Mr. Nathan Deal to promote future relations between the two states and Vietnam.

In Georgia, Ambassador Cuong paid a visit to the GE Smart Grid Center, where he was briefed on current projects between GE Energy and partners in Vietnam to promote electricity efficiency and meet the energy need of Vietnam's economic growth. He also visited the headquarters of UPS and was briefed on the company's priorities and plan to expand business in Vietnam. In Atlanta, Georgia, Ambassador Cuong held a business round-table with the members of the MetroAt-



Ambassador Nguyen Quoc Cuong met Governor of Georgia Nathan Deal

lanta Chamber of Commerce and met with Invest Atlanta Inc. He also traveled to Augusta, Georgia to visit the Vogtle Nuclear Plant,

where he toured the construction sites of the two new Westinghouse AP1000 nuclear reactors - two of the very first constructions of a nuclear plant in the US in more than 30 years. The Ambassador also met with the faculties at Georgia Tech University.

In Alabama, the Ambassador visited Southern Poverty Law Center and Civil Right Memorial, and met with the founder of the Center and Chief of Kawita Creek tribe from Phenix.

Vietnam and Montana to boost ties

At the invitation of Senator Max Baucus, Ambassador Nguyen Quoc Cuong joined other ambassadors in a visit to Montana from May 31st to June 3rd 2012.

The Ambassadors visited Montana's production facilities and farms in husbandary, food production, machinery, tourism, etc in Billings, White Sulphur Springs, Lewistown,

Bozeman, Big Sky and Livingston. At these meetings, Ambassador Nguyen Quoc Cuong briefed Montana businessmen on Vietnam's economic performance and outlook, as well as opportunities for cooperation between Montana and Vietnam. Given advan-

tages of either side, particularly in agriculture, Ambassador Cuong encouraged Montana businesses to expand trade and investment to Vietnam.

"Vietnam and Montana has great potential for cooperation, particularly in agriculture" said Ambassador Cuong

S&P revised the outlook for Vietnam (cont)

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soaring inflation, price hikes, and other challenges, including shrinking foreign reserves, an expanding trade deficit and the devaluation pressure for its currency, the Vietnam Dong.

Key indicators such as credit

growth, the level of foreign exchange reserves, and domestic currency interest rates have improved over the past 18 months.

"The stable outlook on the ratings reflects our view that Vietnam will maintain an appropriately tight economic policy stance until there

are clear signs of macroeconomic instability receding, including sustained single-digit rates of inflation."

Vietnam's economy grew 5.9 percent last year, just below the six percent target. The government is aiming for a 6.0 to 6.5 percent expansion this year.

News in Brief

Economic Indicators

GDP grew 4.38% in the first six months of 2012 over the same period last year, Ministry of Planning and Investment said.

Industry and construction sector grew by 3.81%; services 5.57% and agro-forestry-fisheries 2.81%.

Foreign investment reached 6.38 billion USD and 5.4 billion USD were disbursed.

Trade volume was 106 billion USD, export - 53.1 billion USD and import - 53.8 billion USD

Total ODA reached nearly 3 billion USD.

Over 30,000 new enterprises were established nationwide.

Vietnam to enjoy rapid trade growth

Vietnam is expected to see rapid trade growth in the next 15 years, according to the Global Connections Report, announced by the Hong Kong Shanghai Banking Corporation (HSBC).

The report says that Vietnam's total trade value from 2012 to 2026 will rise by 187 percent, close to double the increase in global trade. Growth is forecast to be 8.2 percent over the next five years and then at a similar pace to 2021, before slowing like its Asian peers in 2022-26 to around 5.3 percent.

According to the HSBC Trade Confidence Index, confidence amongst Vietnamese international businesses remains stable

and relatively high. Indexed scores of 116, 115 and 115 have been recorded since the first half of 2011.

Vietnam tops ASEAN investing destinations

A recent survey of ASEAN Business Advisory Council (ABAC) has shown that regional investors rank Vietnam as the second most attractive destination in the region.

The survey was carried out among 405 businesses in the region. 46 percent chose Vietnam as their top investment destination, followed by Singapore, Thailand and Malaysia.

This is the second survey conducted by ABAC since 2010. ABAC survey also shows that ASEAN is more attractive than China in terms of commodity market and production location.

Vietnam - A top rapid growth market

Vietnam is expected to be among the top three rapid growth markets in the Asia-Pacific region next year, according to Ernst&Young's quarterly Rapid Growth Markets (RGM) Forecast.

RGMs are expected to grow collectively at 5.3 percent this year, bouncing back to 6.3 percent in 2013.

After gaining last year's growth of 5.9 percent - slightly better than expected given the budget cuts and interest rate rises made necessary by above target inflation - the forecast said there will be not much change for Vietnam this

year given the global economic slowdown.

Lawmakers approve tax cuts for enterprises

Lawmakers in the National Assembly have agreed that tax cuts and exemptions would help ease production and business difficulties sweeping the nation.

Most Assembly deputies supported a Government proposal to cut taxes by 30 per cent for small and medium enterprises and for those with a large number of employees.

Most deputies agreed the tax measures would help enterprises overcome problems due to a shortage of capital or product output.

Franchising Heats up Retail Sector

Franchises have become an increasingly active retail sector for foreign investors, according to experts.

Such international franchises as KFC, Pizza Hut and Hard Rock Cafe have successfully established a foothold in the local market, with franchises appearing not only in the food and beverage sector but in other retail goods and services.

Statistics from the Ministry of Industry and Trade show that up to 70 foreign brands have registered franchising businesses in Viet Nam. Most are consumer brands that target youth and the nation's increasingly affluent middle class consumers.

**EMBASSY OF THE SOCIALIST REPUBLIC OF
VIETNAM IN THE UNITED STATES OF AMERICA**

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Bridging cultures: Vietnam, Brunei and the Philippines



ASEAN ladies joined hands in "We are the world"

The ASEAN Women's Clubs of Vietnam, Brunei and the Philippines hosted a remarkable performance on April 18th in Vietnam House.

The performances featured dancers and models in brilliantly colored costumes representing the different countries.

The elegance of movement of the performers and the beautiful fabrics of their attire was deeply appreciated.