

Vietnam Brief, 2010 February, 4

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Businesses

fund facelift for lakes in Hanoi

Hanoi (VNA) – Seventeen businesses have committed to provide an 309 billion VND in total for projects to upgrade the banks of 15 lakes across Hanoi, reported the Hanoi People’s Committee.

The businesses also ask for permission to invest in projects in the form of BOT (Build-Operate-Transfer) or BT (Build-Transfer) to clean up lakes in the city.

Large donors include Thung Lung Vua Co, Ltd with 50 billion VND, Ngoi Nha Moi Trade Joint Stock Company, 30 billion VND, Hanoi General Import-Export Joint Stock Company, 27 billion USD and Him Lam Joint Stock Company, 25 billion VND.

The municipal People’s Committee has assigned Hanoi Water Supply One Member Limited Company to work closely with investors for timely and smooth implementations of the projects.

Youth receive prizes for essays

HCM City (VNA) – Twenty young people and a group of students received prizes and certificates, from Ho Chi Minh City's Young People Association for their efforts in an essay competition of history.

They included three first prizes, two Most Impressive prizes, one for the Best Group and 15 certificates of merit.

The contestants answered questions posed by a jury comprising historians and cultural researchers on the www.tuoi-tre.com.vn.

The questions were also published every week in Tuoi Tre (Youth), the largest newspaper by circulation in the country.

More than 600 people entered the eight-month contest that was titled “We're Proud of Vietnamese History” which ended on Feb. 1.

Organisers said they believed the contest helped participants improve their knowledge of Vietnamese history.

Nguyen Van Nhi, a second-year literature major at the HCM City Teachers' University, won the first prize for her knowledge of the life and work of President Ho Chi Minh.

She read many books and magazines and watched documentaries to improve her knowledge of the country's history. She said, “Studying Vietnamese history is the duty of and an honour for our youngsters.”

Illegal firecracker problem explodes as Tet approaches

Hanoi
(VNA) – As Tet (Lunar New Year) nears, illegal firecracker trading has become an increasingly difficult problem to manage, according to Tran Xuan Thuong, deputy chief of the customs office of Tan Thanh, northern province of Lang Son.

At the end of November, 2009, provincial police uncovered seven cases involving firecracker sales. Out of 300 kilos of firecrackers, a batch of new extremely dangerous types were uncovered.

In the last six months of 2009, the northern border province of Quang Ninh dealt with 54 cases, arrested 42 people, and seized 4.34 tonnes of firecrackers. However, only 15 cases reached trial, the others remain under investigation due to a lack of leads.

Hanoi
authorities have also taken action by arresting mainly retail sellers. Nguyen Thi Uyen from Thuong Tin district kept 70 kilos of firecracker in her house. Three other sellers from the northern province of Thai Binh had to hand over 16.6 kilos.

“This year, firecracker trading has taken place earlier, and involved new methods of transportation,” said Thuong.

The most common way firecrackers are transported is by motorbike, with cross border smuggling done using rarely used routes and avoiding officials border gates. Newer ways include using taxis or porter carrying a small pack of firecrackers has made detecting the smuggling more difficult.

When chased by the police, smugglers have been known to use violence.

In order to effectively control the situation, closer cooperation between local and central authorities is necessary.

The General Department of Customs has issued documents 606/TCHQ-DT and 572/TCHQ-DT to ask local customs departments to actively join the fight against firecracker trading. Besides the direct involvement of local officials, people are encouraged to report to the police if they discover any violations.

Customs officers also need to improve the inspection of goods traded at the border, especially goods without clear stamps of origin, or chemicals substances.

Chess Master
Liem among Moscow
elite

Hanoi (VNA) – Vietnamese chess master Le Quang
Liem is sitting in the top ten after three rounds of the Moscow Open
2010.

Liem on February 2 drew with Vitaly Kunin of Germany to earn 2.5 points and
rank sixth.

The Vietnamese master who is the 16 th seed, earlier defeated two Russian
rivals on Feb. 1. In his next match, Liem will play against Yaroslav Yandemirov
of the host nation.

Liem is the only Vietnamese representative at the event, which has lured 187 of the best players in the world such as Alexander Motylev of Russia, Bu Xiangzhi of China and Viktor Bologan of Moldova.

More serious
drought forecast for 2010

Hanoi
(VNA) – Vietnam
may face more serious droughts in 2010, especially during the dry season from December 2009 to April, due to the impacts of the El Nino phenomenon.

According to the Central Hydro-Meteorology Forecast Centre, temperatures from February to April will be higher than the average levels in previous years while rainfalls are predicted to be much lower.

In the dry season, water flows on northern rivers may be 45-70 percent lower than the average level for the same period.

Drought may cause earlier and more serious intrusion of sea water in coastal areas, especially in the Mekong Delta due to sharp falls in water volumes from the upper reaches.

Hanoi speeds up road expansion for anniversary

Hanoi
(VNA) - Hanoi

will step up its efforts to complete a project designed to expand belt road 3 that links the inner district of Cau Giay to the Noi Bai international airport in preparations for the city's millennium anniversary in October.

At the proposal of General Director of the Transport Engineering Design Inc Pham Huu Son, the project will be divided into two components to ensure its feasibility and make it easy to clear the project sites and deal with emerging issues.

The first component will widen an 11.7-km section from Thang Long Bridge to the crossroads with national highway 2. The section will be enlarged to 29m and have six lanes, including four for big vehicles.

The remaining 5.5 km section, which connects Mai Dich ward in Cau Giay with Thang Long Bridge , will also be expanded to 29m for six lanes in the first phase.

In the second phase, this road section will be widened to between 56-58m as approved by the municipal People's Committee to accommodate increasingly heavy traffic between inner Hanoi city and the airport.

Chairman of the Hanoi People's Committee Nguyen The Thao requested the city's concerned agencies to clean up illegal advertisement boards and upgrade the lighting system along the section by June to welcome visitors during its 1,000th anniversary celebrations.

BUSINESS

Credit growth
hits one percent in January

Hanoi(VNA)- The nation's banking system reported credit growth of one percent in January, a good sign for achieving the target of 25 percent growth this year while still considered reasonable in terms of seasonal production cycles and demand for capital.

"Before Lunar New Year, companies often focus on summarising business results and planning for the new year," said State Bank deputy governor Nguyen Dong Tien on February 2. "They will gear up production after the holiday festivities."

The increase in credit growth for January was therefore not low in comparison with previous years, Tien said. The rate of growth was 0.65 percent in January 2009 and 0.9 percent in January 2008, while credit growth actually slowed by one percent in January 2007.

In the last week of this past month, average interbank rates for loans in Vietnamese dong increased by 0.6-2 percentage points over the previous week to 11.12-12.52 percent.

Interest rates for deposits in Vietnamese dong remained stable at 10-10.49 percent at private banks and 8-9 percent at State-owned banks. Most private banks were offering promotions and gifts to attract available capital.

In an attempt to make more capital available for small and medium-sized enterprises, Tien said that the central bank had applied a series of measures via Open Market Operations and refinancing to credit institutions. The State Bank had refinanced 10 trillion VND (540.54 million USD) for Agribank to make capital available for lending in the farming sector.

Dollar sales
ease shortage

Hanoi (VNA)- The US dollar liquidity of the banking system has improved remarkably since beginning of January, as major State-owned enterprises have complied with a Government order and sold about 450 million USD to commercial banks.

According to State Bank of Vietnam deputy governor Nguyen Dong Tien, most of the dollars were placed on non-term deposit by seven State-owned economic groups and corporations, including oil and gas giant PetroVietnam, mining giant Vinacomin, the Vietnam National Chemical Corporation (Vinachem) and Vietnam Airlines.

“The US dollar sales have supported the forex market very much. Banks have more room to breath,” said Habubank deputy director Nguyen Du Huong. “The foreign exchange system has stabilised thanks to the Government’s move, although I don’t know how long the support will last.”

The interbank exchange rate of 17,941 VND per US dollar has been stable for over a month, a situation rarely seen in recent years.

Tien, meanwhile, said that the Government would get tougher on illegal currency traders.

The State Bank was working with municipal People’s committee, media outlets and public security officers to promote and inspect for compliance.

Exporters

scramble to ship Tet goods to Vietnamese expats

HCM City (VNA)- With Tet approaching, companies that export traditional New Year goodies to the Vietnamese diaspora abroad are working hard to ensure the goods go ontime.

Nguyen Xuan Huy, director of Ngoc Ngan Agricultural Processing Joint Stock Company based in southern Tien Giang province, said all his employees had to work until very late at night to complete an order of more than 100 tonnes of fruits from an Italian importer.

At Long Uyen One Member Co Ltd in My Tho Industrial Park, workers are hastily collecting, processing, and packaging chilli, ginger, and dragon fruit for export to the Republic of Korea, Malaysia, and Singapore.

Nguyen Ngoc Nam, director of Tien Giang Food Company, said his company shipped 4,000 tonnes of special rice under the Nine Dragons and Viet Flavour brands, glutinous rice, and 200 tonnes of banh trang (girdle cake) to several countries in the last two months.

“Despite the economic downturn, the demand for Tet specialties, including banh tet (cylindrical glutinous rice cake) and mut (preserved fruit) has not shrunk and even increased,” Quach Hung Tong, general director of Hai Minh Production and Trading Company in HCM City’s Cu Chi district, said.

Besides familiar items as banh tet , banh chung (square glutinous rice cake) and banh it (glutinous rice cake), Phat Trien Dong Thap Co Ltd has this year started to export xoi gac (glutinous rice steamed with momordica fruit) to the

EU.

Hoang Ny,
director of Thanh
Tam Bonsai
Art Center,
said her firm exported three consignments of apricot trees to Asian countries
for display during Tet..

Shiseido opens
plant in Dong Nai

HCM City (VNA)- The Japanese
cosmetics manufacturer Shiseido Co Ltd opened a production plant in Dong Nai
province's Bien Hoa
City on Feb.2

Initially, the Vietnam
plant will specialise in products for Japanese market, but in the near future
it will target the Asian markets and all other world markets, according to
Shinzo Maeda, president and CEO of Shiseido.

Shiseido had sent 15 Vietnamese employees to Japan for 5 month training courses
on Japanese culture and Shiseido's production technique, Maeda said.

With an investment of 42 million USD, the Vietnam plant, which will begin
operation in April, will start by manufacturing men's cosmetics, facial
cleansers and hair styling agents for the Japanese market.

Located on 10ha in Amata Industrial Park, the plant aims to manufacture cosmetics products targeting the middle-income group in Asia, including China, where major growth is anticipated.

This is the first plant in the ASEAN and the 15 th production facility of Shiseido, which now has four plants in mainland China, three in France, three in the US and two in Taiwan.

Lien Viet Bank
to issue convertible bonds

Hanoi
(VNA) – Hau Giang-based Lien Viet Bank has received the nod from the State Bank of Vietnam to issue convertible bonds this year totalling 2 trillion VND (108.11 million USD).

The bank will issue 20 million convertible bonds, of which about 10.6 million bonds will be offered to existing shareholders at the ratio of 100:3 at 100,000 VND each.

The remaining bonds will be offered to staff, the Vietnam Postal Savings Service Co and other domestic individual and institutional investors at not lower than 100,000 VND each.

The bonds, with a 7 percent yield to be paid at maturity, will be issued in two tranches. One bond will be convertible into 10 shares.

Bank spokeswoman Tran Thi Mai Anh said that the bank is drawing together more details for publication.

Of the total to be raised from the issue, the bank would invest 750 billion VND (40.5 million USD) in its own financial operations, including participation in joint ventures and contributing more capital to its franchises.

About 500 billion VND (27 million USD) would be used to expand medium and longer-term lending, while another 500 billion VND (27.03 million USD) would be reinvested in the bank's capital reserves. 250 billion VND (13.51 million USD) is earmarked for infrastructure.

By the end of last year, Lien Viet Bank posted a net profit of 540 billion VND (29.19 million USD), 16 percent higher than its target, and had total assets of 17.4 trillion VND (940.54 million USD).

It has targeted to double total assets to 1.88 billion USD this year.

The bank, formed in June 2008, has a charter capital of 3.65 trillion VND (197.3 million USD) and has not yet contracted with a foreign strategic partner.

Market stands
pat on depressed demand

to tread water on Feb.2 on improved trading, with the VN-Index closing up just 0.2 percent to 487.93 points.

Volume increased by 20 percent, however, to over 27 million shares, with a value of just over one trillion VND (53.2 million USD).

Eximbank (EIB) remained the most active share, with over 1.4 million traded.

On the Hanoi Stock Exchange, the HNX-Index fell by an equally miniscule 0.2 percent to a close of 160.91. The volume of the day's trades rose slightly to 14.1 million shares, worth a combined 458.25 billion VND (24.4 million USD).

Kim Long Securities Co (KLS) ended the day as the most heavily-traded share on the northern bourse, with 1.5 million changing hands.

Bao Viet Securities Co analyst Nguyen Duc Thi saw increasing trading volume as a sign of a market rebound, however, although he also acknowledged that weak demand continued to undermine the market.

"The rise in the VN-Index late in the session should be accompanied by more significantly improved trading volumes of around 40 million shares", said Thi.

Foreign investors continued to be net buyers on the HCM City bourse on Feb 2, responsible for a net over 1.26 million buys, worth a total of 113 billion VND (6 million USD). However, they were net sellers in Hanoi bourse by a value of over 4.8 billion VND (255,320 USD).