



Trade Promotion between Vietnam - Kyushu Region (Japan)

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**1. Overview on Vietnam's
Import and Export**

**2. Trade Relationship between
Vietnam and Japan**

**3. Trade Relationship between
Vietnam and the Kyushu region**



1. Overview on Vietnam's Import and Export



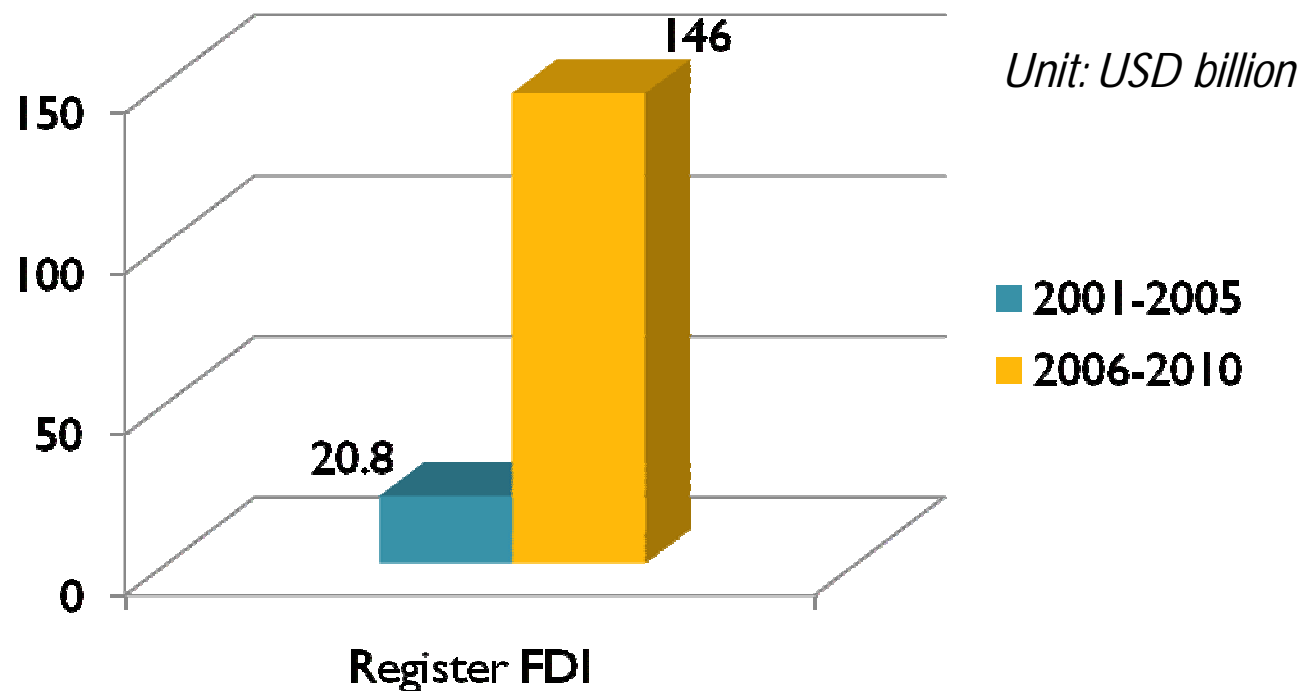
- Vietnam became the 150th World Trade Organization (WTO) member on November 7, 2006
- Vietnam had participated in a number of regional and international organizations, namely, ASEAN, APEC, ASEM and signed several bilateral trade agreements



- The annual average growth rate has reached 7% in the past 5 years
- Total social investment capital increased 2.5 times compared with the period from year 2001 to 2005, equal to 42.9% of GDP
- GDP in 2010 measured at current prices reached USD 101.6 billion, 3.26 times higher than in 2000
- GDP per capita was USD 1,168 in 2010

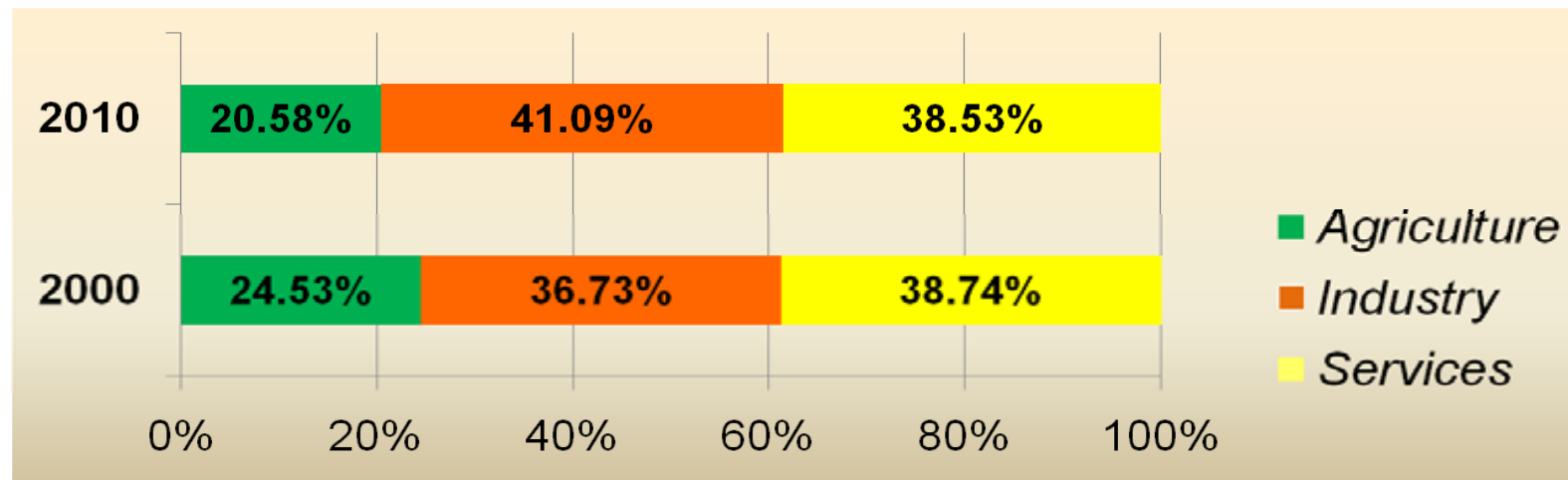


- During the period 2006-2010, total FDI capital registered reached USD 146 billion, seven times higher than during the period 2001-2005





- The economic structure continues to shift towards industrialization and modernization



- The labor structure has changed accordingly, less labor in the agricultural sector, more and more in industry and services



- The business environment has been reformed.
- In the period of 2006-2010, the number of enterprises increased 2.3 times and the volume of capital increased 7.3 times within 5 years.



Vietnam's import and export

- The total export turnover in 2010 reached USD 71.6 billion.
- The average export growth rate for the period from 2006 to 2010 was 17.2%.
- Export turnover per capita was USD 914.4 in 2010 while it was USD 559.2 in 2006.
- The overall export value reached USD 78 billion in the first ten months of 2011, an increase of 34.5% compared to the same period last year.



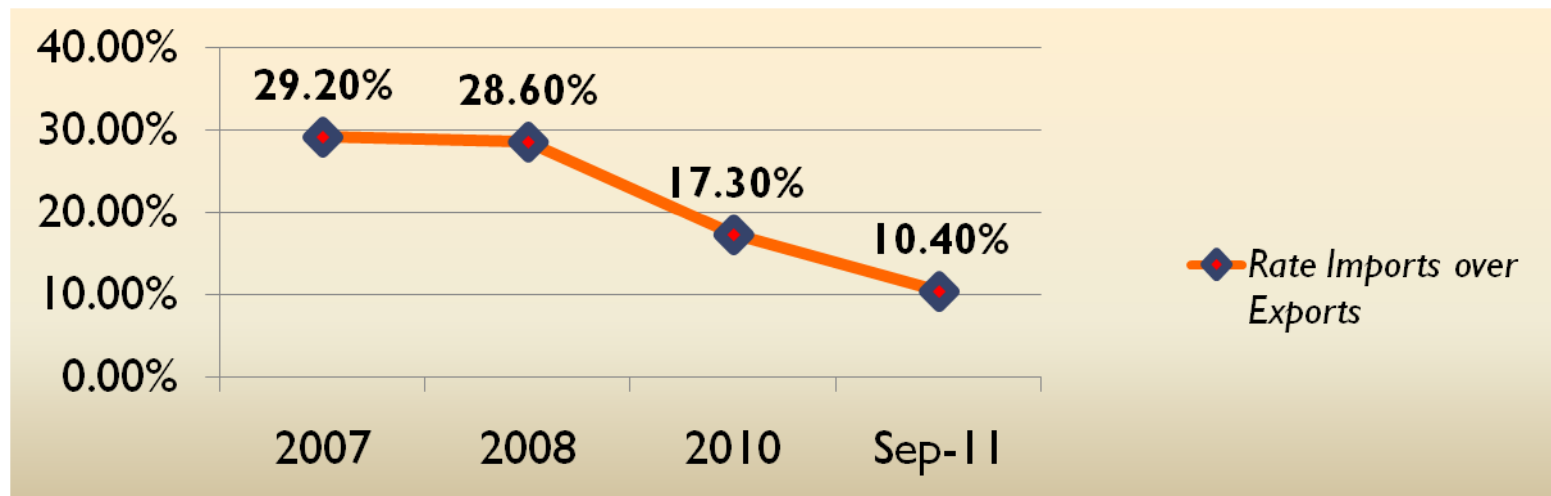
Vietnam's import and export

- 19 markets with Vietnamese exports over USD 1 billion (by 2010)
 - United States
 - Japan
 - China
 - 6 others from ASEAN: Singapore, Malaysia, Philippines, Cambodia, Indonesia, Thailand
- Trade surplus with 6 markets including the United States, Switzerland, Cambodia, the UK, Netherlands, and the Philippines.



Vietnam's import and export

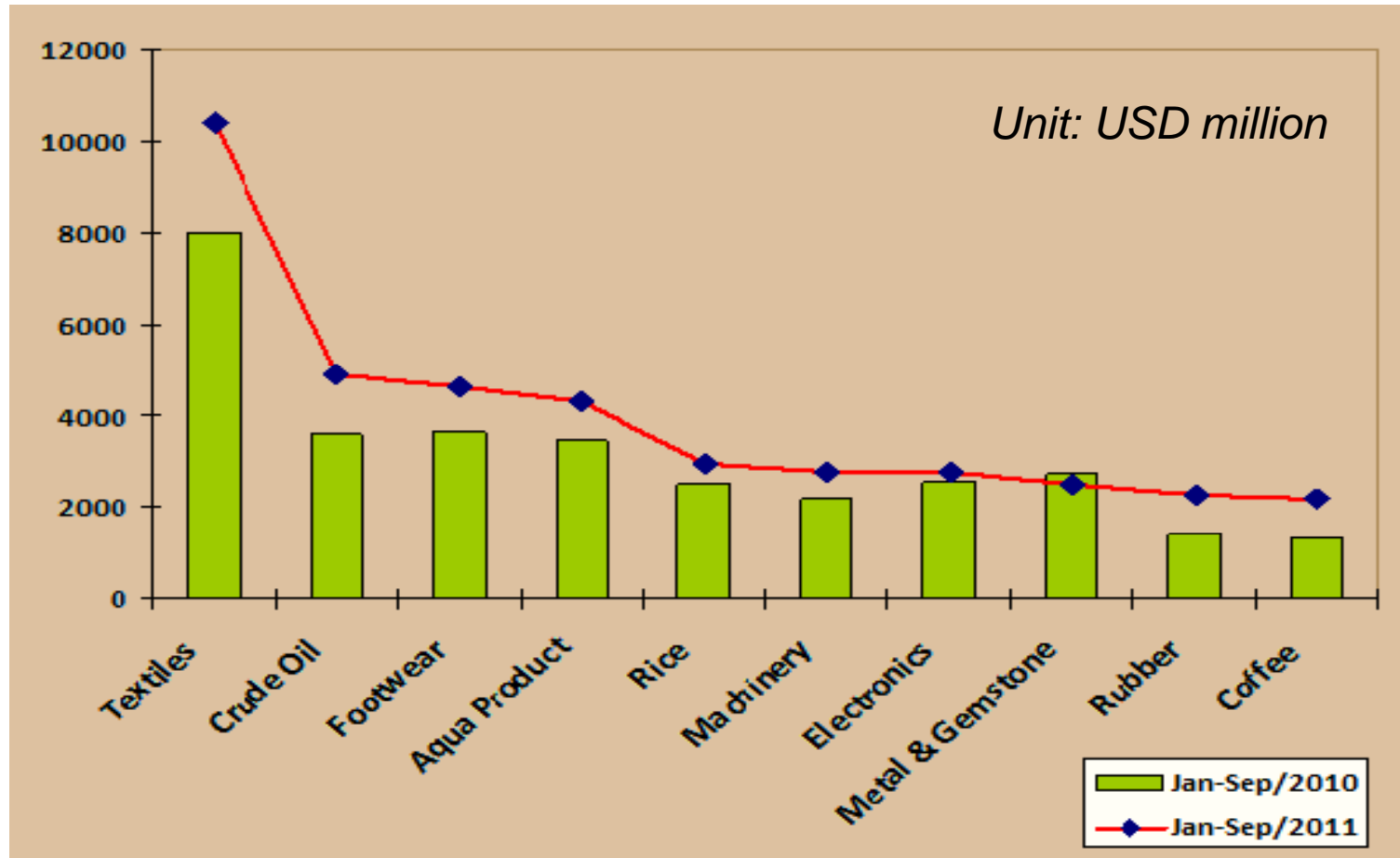
- Imports increased steadily over recent years, but the trade deficit ratio has declined and is under control.



- Consumer goods account for only 3-5% in the structure of import turnover.
- Machinery and raw materials are the dominant imports.



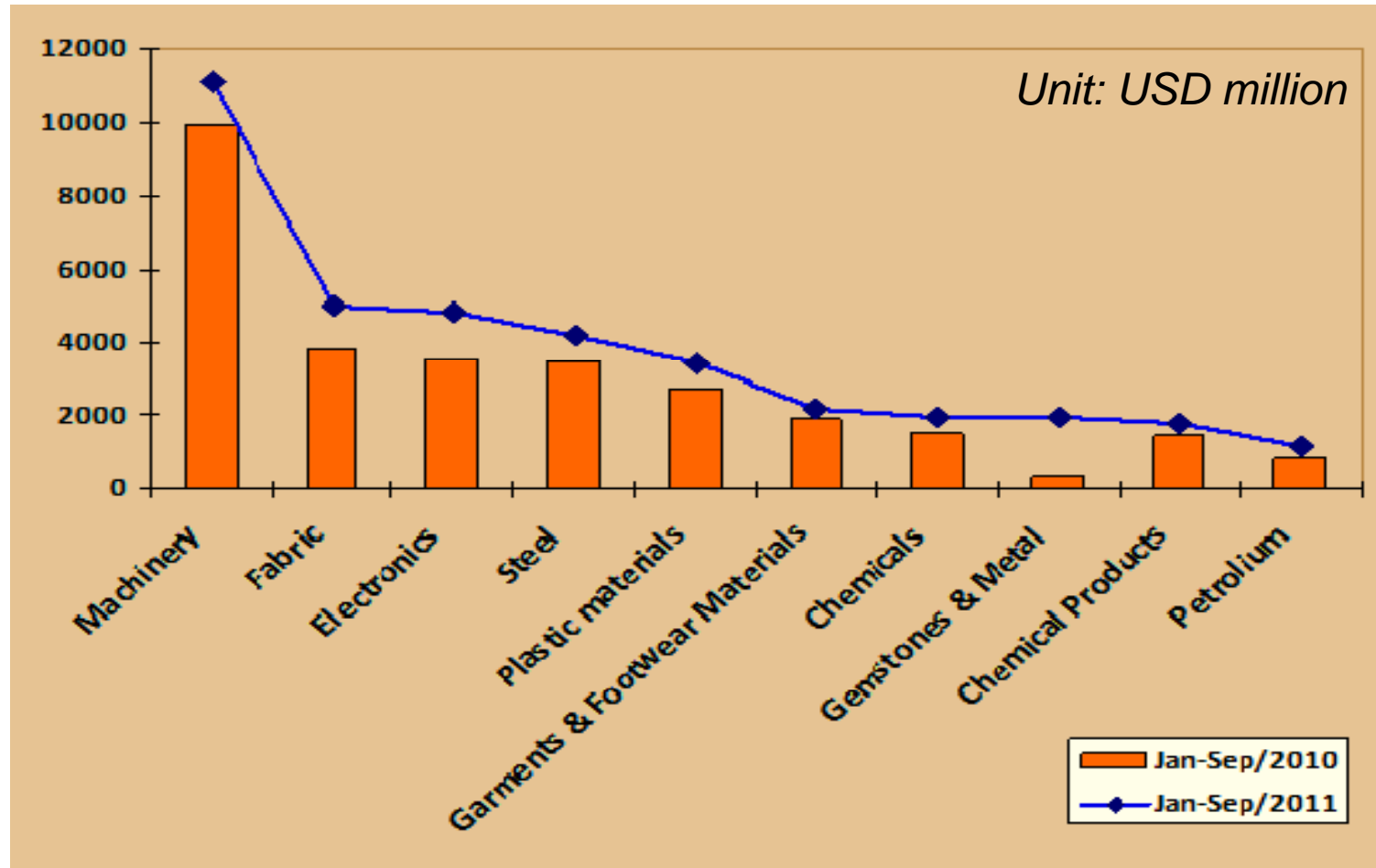
Export value of main products (2005 – Jan-Sep 2011)



(Source: General Department of Vietnam Customs)



Import value of main products (2005 – Jan-Sep 2011)



(Source: General Department of Vietnam Customs)



2. Trade Relationship between Vietnam and Japan



- October 2006, The Vietnamese Prime Minister Nguyen Tan Dung officially visited Japan and opened a new phase of co-operation towards "strategic partnership between Vietnam and Japan for peace and prosperity in Asia"
- In December 2008, the two countries signed Vietnam – Japan Economic Partnership Agreement (VJEPA)
- VJEPA is a comprehensive bilateral agreement that will boost trade liberalization of goods and services, economic cooperation and investment



Vietnam – Japan Economic Partnership Agreement (VJEPA)

- The average tariff rate applied for Vietnamese goods exported to Japan will gradually be reduced to 2.8% by 2018
- At least 86% of agro-forestry- aquatic products and 97% of Vietnamese industrial products exported to Japan will benefit from preferential tariff rates
- The average tariff rate applied for Japan's products exported to Vietnam will gradually be reduced to 7% by 2018
- Within the next 10 years, Vietnam and Japan will realize a tariff reduction toward a bilateral free trade area, allowing over 94.5% of Vietnam's export revenues and over 87.6% of Japan's exports revenues to be exempted from import tariff



Vietnam – Japan Economic Partnership Agreement (VJEPA)

- VJEPA created many opportunities but also challenges for Vietnamese enterprises:
 - competition between businesses of the two countries will increase
 - the strict requirements for quality, hygiene and food safety are big challenges for Vietnam's enterprises
 - Vietnamese enterprises will have to compete with enterprises of other countries in Japan, especially China



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- From October 30 to November 2, 2011, the Vietnamese P.M. Nguyen Tan Dung paid an official visit to Japan.
- Japan is the third largest trade partner of Vietnam. The year 2010 marked the significant recovery of the two countries bilateral trade, turnover reached more than USD 16 billions, up by nearly 22% in comparison with 2009. In 2011, two-way trade turnover remained at a relatively good level.



Vietnam's exports to Japan

- By the end of September 2011, Vietnam's exports to Japan reached USD 7.5 billion.
- Major commodities are aquaculture products, furniture, garments and textiles, cables, oil, coal, etc.

Unit: USD million

Year	Export Value	Import Value	Balance	Total turn-over	Change over previous year (%)
2007	6,069	6,177	-108	12,246	23.3
2008	8,538	8,241	297	16,779	37.0
2009	6,292	7,468	-1,176	13,760	-26.2
2010	7,728	9,016	-1,288	16,744	21.7
Jan-Sep/2011	7,481	7,422	59	14,903	25.0

(Source: General Department of Vietnam Customs)



Vietnam's exports to Japan

	Unit	First 9 months of 2011	
JAPAN		<i>Volume (Ton)</i>	<i>Value (USD)</i>
Textiles and garments	USD		1,219,528,778
Crude oil	Ton	1,179,393	1,039,191,053
Machine, equipment, tools and instruments	USD		684,831,603
Fishery products	USD		672,317,535
Insulated wires and cables	USD		645,265,408
Wood and wooden products	USD		416,118,200
Other means of transportation, parts and accessories thereof	USD		397,198,187
Computers, electrical products, spare-parts and components thereof	USD		270,738,647
Plastic products	USD		205,728,457
Coal	Ton	1,006,470	205,043,284

(Source: General Department of Vietnam Customs)



The potential for Vietnamese exports to Japan

- Products which are in high demand in Japan as *seafood, fruits and vegetables, textiles and garments, footwear, furniture, timber, rattan and bamboo, bricks and building stones* are Vietnam's strength in exports
- Vietnam currently ranks as 17th exporter to Japan
- Shrimp is the main export commodity followed by wood chips and coffee
- Vietnamese textile and apparel maintain a great potential in Japan



The potential for Vietnamese exports to Japan

- Wooden furniture export turnover in 2010: USD 454 million. Expected for year 2011: USD 1 billion
- The demand for imported plastic goods in Japan is about 8 billion USD annually, while Vietnam currently exports only about 235 million USD to this market.



Vietnam's imports from Japan

- Imports from Japan reached more than USD 7.4 billions.
- Major categories: machinery, equipment and spare parts of computers and electronic products, iron and steel, fabrics and all kinds of transport vehicles.
- Japan is one of the Vietnam's largest investors
- Many large Japanese corporations have been present in Vietnam, namely, Sumitomo, Toyota, Honda, Mitsubishi, Hitachi, Toshiba...



Vietnam - Japan Cooperation on Trade Promotion

- Vietnam has established both a national and an international trade promotion system
 - Trade promotion organizations of Government
 - Local government and trade promotion organizations of non-governmental organizations
 - Network of Vietnam's trade representative offices abroad
- Vietnam is a member of ASEAN Promotion Centre on Trade, Investment and Tourism (ASEAN - Japan Center AJC)
- Vietnam Trade Promotion Agency (VIETRADE) has bilateral relation with Japan External Trade Organization (JETRO)



Vietnam - Japan Cooperation on Trade Promotion

- Vietnam is always highly appreciate every Japan's support
- Vietnam is doing our best of reformation and continue to establish open policies
- Look forward to a deeper and stronger cooperation and a sustainable friendship relationship between two countries, emphasis on economic cooperation and trade



3. Trade Relationship between Vietnam and the Kyushu region



Vietnam and Kyushu has potentials for trade

- A Memorandum dated 25 Feb. 2009 on the promotion of economic cooperation between Vietnam and Kyushu was signed between Vietnam Ministry of Planning and Investment and Kyushu International Economy, Japan
- A number of Vietnam's cities and provinces such as Hanoi, Hai Phong, Long An also have specific activities to promote exchange and cooperation relations between Vietnam and Kyushu



Vietnam and Kyushu has potentials for trade

- Many delegations including authorities and businessmen from Kyushu have visited and worked with Vietnamese agencies and enterprises to explore the country's business environment
- Many Kitakyushu enterprises are investing in Vietnam in many fields such as electrical and electronic goods, information technology, steel, freight forwarding, and banking.



Vietnam and Kyushu has potentials for trade

- Kyushu enterprise's chances: technology transfer, management methods and experience together with the finance support.
- Vietnam enterprise's chances: agricultural products, forest products, aquatic products, vegetables, tropical fruit or garment and textiles, furniture, traditional handicrafts.
- Vietnam's supply capacity, quality, designs has been enhanced greatly to adapt world standard quality with competitive price



Vietnam and Kyushu has potentials for trade

- Many associations between Vietnam and the Kyushu region have been established:
 - Association of Kitakyushu – Vietnam
 - Association of Nagasaki – Vietnam
 - Vietnam Kyushu Friendship Association
- 10th October 2009, direct flight route from Fukuoka - Hanoi was opened, frequency: 2 flights a week



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THANK YOU!

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