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INDUSTRY NEWS UPDATE

Foreign investment pledges to Vietnam triple

Vietnam attracted \$64 billion in pledges for foreign direct investment this year, more than triple last year's \$21 billion, the Ministry of Planning and Investments foreign investment agency said. About \$11.5 billion of the total has already been spent, up 43 per cent from last year, the agency said on its Web site today.

Foreign-invested companies already account for 40 per cent of Vietnam's total exports, and generate 1.5 million jobs. The government yesterday signalled it wants to attract more foreign money, saying increased exports and investment will be the key to ensuring economic growth of 6.5 per cent next year.

About 54 per cent of the new investment pledges were in the industrial and construction industries, 45 per cent were in services and the remaining commitments were for the agricultural, forestry and fishery industries, according to the statement.

Malaysia, with 55 projects valued at \$15 billion, topped the list of 50 nations investing in Vietnam this year, up from sixth last year.

Taiwan became the second-biggest investor, from fourth last year, with \$8.6 billion of pledged investments. Japan moved up to third from fifth with \$7.3 billion, the agency said.

The biggest foreign project in Vietnam is a \$9.8 billion steel plant being built in the southern coastal province of Ninh Thuan early next year by Malaysia's Lion Group and Vietnam's Shipbuilding Industry Group, according to the statement.

Vietnam's benchmark VN Index has fallen 67 per cent this year, heading for its biggest annual loss since the Southeast Asian nation started its first exchange in 2000. The measure is the worst-performing benchmark gauge in Asia this year.

(Source: The West Australian - Perth, Western Australia, Australia, Dated 26th December 2008)