



# INDO - VIETNAMESE CHAMBER OF COMMERCE & INDUSTRY

NEWSLETTER | JANUARY - MARCH 2010



## *President Writes*

*Vietnam continued to face a big challenge in achieving macro-economic targets for the year 2009. High inflation, unstable financial and monetary markets and domestic consumption continued to afflict the Vietnamese economy. Even with the robust GDP growth of 6.8% in the fourth quarter of 2009, Vietnam's GDP growth for 2009, at 5.2%, was lower than that of 6.2% during 2008 and 8.4 per cent in 2007. Industrial production for the year increased by 7.6% as against 14.6% in 2008.*

*During 2009 Vietnam's exports declined by 10 per cent to \$57 billion, imports dropped faster by 15 per cent to \$68 billion. As a result of faster decline in imports than in exports, trade deficit for the year 2009 shrunk to \$11 billion as against \$17 billion in the preceding year.*

*Inflow of foreign direct investment recorded a steep decline of 67 per cent -- from \$64 billion in 2008 to \$21 billion in 2009.*

*Slowdown of our two economies also got reflected in the value of bilateral trade between India and Vietnam: During 2009 India's exports to Vietnam declined by 22% to \$1635 million from \$2094 million in 2008. Imports from Vietnam, on the other hand, marginally increased to \$419 million from \$389 million during the same period (a rise of 8 per cent, to be precise). India's trade surplus, thus, declined to \$1,216 million during the year under review from a high of \$1,705 million in 2008.*

*India-ASEAN FTA has been approved by the Prime Minister of Vietnam and has been sent to the Ministry of Finance for legal enactment. It is expected that by the end of March 2010, the Agreement will take effect.*

*On February 10, 2010, Vietnam devalued dong by 3.4 per cent against the US dollar. This was on top of the devaluation of 5.4 per cent in November 2009, with a view to encouraging holders of dollars to buy dong. The main reason for decline in Vietnam's imports is dollar shortage, which is an outcome of dollar hoarding. Vietnam is believed to have spent over \$1 billion or one per cent of GDP last year to prop up the economy, mainly by subsidising banks' loans to businesses. The credit supply, as a result, expanded by 37%, driving up the black-market price of dollars.*

*The Consumer Price Index for December 2009, driven by higher cost of housing, construction materials and transportation, went up by 6.5% year-on-year. As the Vietnamese Government has raised State-Controlled commodity prices (petrol, electricity and coal), inflation in the coming few months might become a major challenge, as it was in early 2008.*

**Kamal K. Seth**  
President



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## Courtesy call on Vietnamese Minister

**Mr. Ranjan Bhatnagar**, Hon. Secretary, IVCCI & **Mr. Vipul Srivastava**, Deputy Director, IMC New Delhi office made a courtesy call on **Mr. Vu Huy Hoang**, Hon'ble Minister of Industry & Trade, Vietnam and the accompanying Vietnamese delegation and **Mr. Vu Quang Diem, H.E.** Vietnamese Ambassador in India on 8<sup>th</sup> December, 2009 in New Delhi.

Both Mr. Bhatnagar and Mr. Hoang emphasized the importance of strengthening trade and commerce between the two countries. Both sides realized that at present trade is more a one-way affair, highly in favour of India and it is high time that efforts were made to encourage trade and investment from Vietnam as well.

Towards this, Mr. Bhatnagar mooted the idea of having a Trade Office of Vietnam in Mumbai, which was well received by the Minister and his delegation. Another proposal was to have a showroom of Vietnamese products in Mumbai, displaying catalogues of products having market in India. This was also liked by the Vietnamese Minister and he sought assistance from IVCCI towards making this possible.



## Congratulations

### **Mr. Nguyen Viet Hung** **Vietnamese Ambassador to Pakistan**

IVCCI congratulates Mr. Nguyen Viet Hung on his appointment as Vietnam's Ambassador to Pakistan. Prior to this appointment, Mr. Hung served as Vietnamese Consul General in Mumbai between 2005 and 2009.

During his tenure in Mumbai he was committed to promote bilateral trade & investment relations between India and Vietnam.

He played the role of a friend, philosopher and guide to IVCCI. We take this opportunity to thank Mr. Hung for all his support and cooperation to us all along and wish him all the best in his new role as Vietnam's Ambassador to Pakistan.





Vinegar is mainly used as a preservative for gherkins, baby Corn, Onion, Jalapenos etc. and as a seasoning on salads.

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## Vietnam's Minister Cites Win-Win Ways to Boost Bilateral Trade



Mr. Ranjan Bhatnagar, Hon. Secretary, IVCCI  
Mr. Kamal K. Seth, President, IVCCI  
H.E. Mr. Le Duong Quang, Vietnam's Vice-Minister of  
Industry & Trade, Mr. Gul Kripalani, President, IMC  
Mr. Nguyen Viet Hung, Consul General of the  
Socialist Republic of Vietnam in Mumbai and  
Mr. Dilip Dandekar, Vice-President, IMC

Vietnam's Vice Minister of Industry & Trade, Mr Le Duong Quang, has recommended a five-point process for improving bilateral trade and investment relations between India and Vietnam to mutual benefit.

The Minister, who was leading a 24-Member high level business delegation from his country to India, was addressing an interactive meeting of the Vietnam-India Business Forum, jointly organized by Indian Merchants' Chamber (IMC) and Indo-Vietnamese Chamber of Commerce & Industry (IVCCI) on November 18. Mr Nguyen Viet Hung, Vietnam's Consul General in Mumbai and Vietnam's top diplomats, senior officials and businessmen also participated in the meeting.

IMC President Mr Gul Kripalani and IVCCI President Mr Kamal K Seth welcomed the Minister and his delegation. The interactive session was followed by a prolonged one-on-one business meetings between the Indian and Vietnamese businessmen. Senior bureaucrats of Vietnam's Trade & Industry Ministry were at hand to provide clarification and to assist the business talks.

Mr Le Duong Quang dwelt at length on his country's market-oriented economic policies and resultant accelerating economic growth over the past two decades. He said the friendly and close

political ties between India and his country would provide a stable platform for improving economic relations.

He recommended that the two countries together should take up the following five steps immediately as part of a long-term business strategy:

- \* During the one-to-one business meetings, enterprises of two sides should find out real demand of products that either had advantages, or the products counterparts were in need.

- \* Vietnamese companies had competitive edges in agricultural products, aquatic products, fine art & handicraft products, footwear, textile & garment and electronic products. Indian enterprises had cutting edges in pharmaceutical products, medical equipments, information technology etc. As a result, the businessmen of two countries should study the possibility to cooperate in importing and exporting of such products and possibilities of making investment with a view to supplementing each other's efforts.

- \* The two sides should keep on exchanging information about enterprises' identity, market and commodities information through such channels as Vietnamese Embassy & Trade Office



in India , Vietnam Chamber of Commerce & Industry , IMC , IVCCI, commodity associations, and relevant ministries and authorities.

\* Indian companies should be encouraged to invest and manufacture finished products in Vietnam in particular fields such as oil exploration, exploitation and processing, petrochem products, minerals, IT, feedstuff processing, textiles etc. The finished products could be exported to meet the demand of Indian market as well as help correct the existing trade imbalance between the two countries.

\* Enterprises of both sides should participate more actively in fairs , exhibitions and business seminars held in each other's country.

There was an urgent need to set up Vietnamese Exporters' Association to vigorously encourage investment promotion by India in Vietnam. A global study has shown that Vietnam was the world's sixth most attractive investment destination.

Over the years, Vietnam was able to attract foreign direct investment ( FDI) worth \$174 billion in 11,000 projects. Of these, projects worth \$55 billion had been completed. "Vietnam economy operates under the market mechanism, designed to integrate with the regional and global economies,." he said.

He invited Indian industrial houses and businessmen to invest in Vietnam for developing the steel, oil & gas, energy, mining, mineral exploration, textiles and such other sectors.

Earlier, Mr Gul Kripalani said that 19 years ago IMC founded IVCCI consequent to its MOU with Vietco Chamber of Commerce & Industry,

Hanoi. And ever since, IMC has been servicing and running that bilateral chamber from its own premises. "Now IVCCI has been recognized as the nodal agency for the purpose of official discussions at the government level, " he said.

Vietnam achieved about 8% annual GDP growth between 1990 and 1997 and continued at 7% between 2000 and 2005, making it one of the world's fastest growing economies, with its GDP doubling in the recent past. "Vietnam is a land of opportunities. And both the Indian and Vietnamese industry and trade must engage in tapping the opportunities for mutual advantage," he said.

Mr Kamal Seth said that Vietnam's economy was showing signs of recovery from the global financial crisis, "as its GDP for the first nine months 2009 increased by 4.6% compared with the same period in 2008. "Vietnam has targeted a GDP growth of 6.5% in 2010," he said.

"Bilateral trade between the two countries exceeded \$2.5 billion in 2008, following the strategic partnership to promote trade ties forged in 2007. Both the countries are hoping to double the bilateral trade to \$5 billion in the next three years," he said. However, he also stressed the need for balancing the trade between the two countries, because at present it was heavily tilted in favour of India.

Major items of India's exports to Vietnam were: cattlefeed ingredients, steel, pharma ingredients, pharmaceuticals, cotton, machinery and equipment, pesticides, leather & textile materials, fertilizers, pesticides and metals. India's imports from Vietnam included machinery, computer hardware, electronic goods, chemicals, coal, coffee, pepper, etc.

"India is all set to recognize Vietnam as a market economy. This clears the last hurdle in the way of India's free trade agreement (FTA) with all ASEAN members. The FTA, which was signed earlier this year between India and all ASEAN countries -- except Vietnam -- is scheduled to be implemented from 1`st January 2010," Mr Seth said and cited vast scope for promoting tourism in each other's country.



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## India-Vietnam Direct Flights Needed to Boost Bilateral Trade, Tourism, Says Consul General



Mr. Nguyen Viet Hung, Consul General of the Socialist Republic of Vietnam  
Mr. Kamal K. Seth, President, IVCCI, Mr. Ranjan Bhatnagar, Hon. Secretary  
IVCCI, Mr. Jitendra Sanghvi, Executive Secretary, IVCCI and Mr. Suresh Kotak  
Past President, IMC and member of the IVCCI Managing Committee

Direct flights between India and Vietnam can immediately boost bilateral trade and tourism and can help counter the economic slowdown faced by both the countries, according to **Mr. Nguyen Viet Hung**, Consul-General of Vietnam in Mumbai.

**Mr. Hung** was addressing an interactive meeting on "Global Market Research & its Importance with Special Reference to Vietnam" organized by Indo-Vietnamese Chamber of Commerce & Industry (IVCCI).

**Mr. Nguyen** said that both the Indian and Vietnamese economies were performing far better than most of the Western economies, which were experiencing negative growth. Tours and business visits between India and Vietnam dwindled in the past year, as was borne out by a sharp decline in visa applications received by his Consulate in Mumbai.

"At present tourists between India and Vietnam are forced to go to Bangkok or Hong Kong or Singapore. It is not only time consuming, but also quite expensive. If the airlines flying between India and western region of US can reroute some of their flights to take a halt at Hanoi or Ho Chi Minh City, certainly it will go a long way towards boosting our bilateral trade and tourism," the Consul-General said.

**Mr. R. Subramaniam**, Vice-President, Avalon Global Research, made a presentation on "Global Market Research and its Importance" and said that India and Vietnam were both signatories to the Mekong-Ganga Cooperation, which was created to forge closer ties between the respective countries. Consequently, India-Vietnam bilateral trade rose from \$102.6 million in 1994 to over \$2.5 billion now. However, the increase was not as impressive as the India-Brazil as well as India-China bilateral trade -- almost six fold increase recorded in the past six or seven years.



His company, Avalon, undertook global research projects, which helped foreign companies explore business prospects in India and Indian businesses seek markets in different countries. He said, "Our group now has over 1000 specialists. Avalon has done work in about 85 countries in 15 languages on marketing research, strategy, and outsourcing analytics."

**Mr. Subramaniam** said that Avalon could assist Indian and Vietnamese companies in mapping their markets in respect of demand and supply, locating trade and joint venture partners, tracking prices and rendering services for boosting their businesses.

**Mr. Kamal Seth** in his welcome address said that despite financial meltdown, the Vietnamese economy recorded the GDP growth of 6.2% in 2008 (as against 8.4% in 2007), compared to Indian economy's 6.7% growth in 2008-09.

"Vietnam's per-capita GDP rose to \$1024 in 2008, when that country attracted FDI of over \$64 billion, which was a twofold increase over the previous year. Vietnam's industrial production recorded 14.6% growth. The World Bank studies have estimated that Vietnamese economy would record 6.5% growth in 2009," **Mr. Seth** said.

**Mr. Seth** said both Indian and Vietnamese economies began recovering from the economic slowdown in 2008, following the granting of effective stimulus packages by both the governments. "Indian investors have a great opportunity in building Vietnam's power sector, as that country would require FDI of about \$8.7 billion for its power transmission projects during the next five years. Vietnam is a very attractive market with over 85 million young consumers with rising incomes," he said.

He said Vietnam's export basket consisted of apparels, gemstones, gold, crude oil, coal, footwear, rice, seafoods, coffee, electronic products, PC and spare parts. Vietnam's key imports included machinery and equipment, petroleum products, cloth, steel, electronics, PC & spare parts, plastics, apparel accessories, automobiles and fertilizer.

Bilateral trade between India and Vietnam continued to surge. During the first quarter of 2009, India's exports to Vietnam declined by 44% to \$ 406 million from \$721 million in the corresponding period last year. India's imports from Vietnam, on the other hand, increased by 46% to \$70 million from \$48 million during the same period. India's trade surplus with Vietnam declined from \$673 million to \$336 million, as a result.

Quoting a study by Hong Kong-based Political and Economic Risk Consultancy Survey, he said Vietnamese bureaucracy was far more efficient than Indian bureaucracy. "And as such, Indian businessmen should not find it difficult to do business with Vietnam," he concluded.

The IVCCI's Vice-President **Mr. K R Venkatadri** proposed a vote of thanks.

### **Vietnam : At a Glance : January 2010**

Inflow of tourists	: 4.16 lakhs (+20.4%)
New businesses set up	: 5,800 (+25%)
Exports	: \$4.9 billion (+28.1%)
Imports	: \$ 6.2 billion (+86.6%)
Trade deficit	: \$ 1.3 billion
FDI	: \$ 318 million (+72%)
CPI	: +7.62%
Crude oil production	: 1.2 million tones
New telephone subscribers	: 4.86 million (+145.3%)

\* Percentage changes year-on-year



## Vietnam : Global Imports in 2009

Item	Value	
	\$ million	% share in total imports
Machinery tools & spare parts	12369	18.0
Petroleum	6159	8.9
Steel	5327	7.7
Fabrics	4224	6.1
Electronics, computer spare parts	3931	5.7
Chemical & chemical products	3153	4.6
Automobiles	2943	4.3
Plastic in primary form	2823	4.1
Shoes & sandals	1935	2.8
Cattle feed and supplies	1723	2.5
Other metals	1616	2.3
Fertiliser	1349	2.0
Textile yarn	792	1.2
Cotton	383	0.6
<b>Others</b> (including sea food, milk & dairy products, vegetables & fruits, wheat, vegetable & animal oil and fat, liquefied gas, oil products, medicaments, insecticides, plastic products, wood and materials, paper and raw materials for textile)	20103	29.2
<b>Total</b>	68830	100.0

## Vietnam : Global Exports in 2009

Item	Value	
	\$ million	% share in total exports
Textile	9004	15.9
Crude oil	6210	11.0
Sea food	4207	7.5
Shoes & sandals	4015	7.1
Electronics, computers	2774	4.9
Valuable stores and metals	2723	4.8
Rice	2662	4.7
Wood & products	2550	4.5
Machinery tools & spare parts	2028	3.6
Coffee	1710	3.0
Coal	1326	2.3
Rubber	1199	2.1
<b>Others</b> (vegetables, cashew nut, tea, pepper, cassava & products, gasoline, kerosene, chemicals & chemical products, plastic products, hand bags, wallets, suitcases, umbrellas, rattan, bamboo, rush carpet goods, porcelains & ceramics, electric wires & cables, means of transport & spare parts)	16176	28.6
<b>Total</b>	56584	100.0



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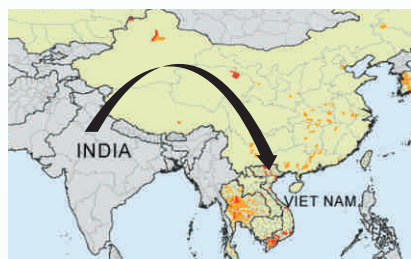
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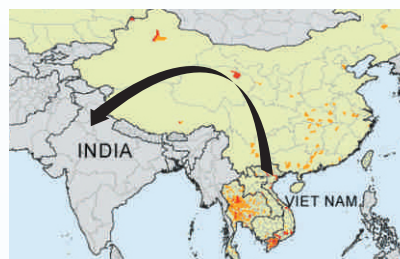
## Indo – Vietnamese Bilateral Relations



Exports from India to Vietnam : Commoditywise

(\$ million)

Commodity	2008	2009	% Increase
<b>Commodities showing rise</b>			
Pharmaceuticals	105.8	148.6	40
Ordinary metals	41.8	63.5	52
Plastic materials	53.7	56.8	6
Tobacco accessories	34.2	52.5	54
Pesticides and materials	42.2	48.2	14
Fibres	23.1	29.5	28
Fabrics	18.6	23.4	26
Fertilisers	9.4	17.5	86
<b>Commodities showing fall</b>			
Feed ingredients	792.4	470.0	-41
Steel	134.6	107.9	-20
Machinery and Equipment	152.7	80.0	-48
Chemical allied products	44.0	42.4	-4
Cotton	79.9	41.0	-49
Leather and textile materials	56.9	40.6	-29
Medicinal Ingredients	41.5	38.3	-8
Chemicals	37.4	33.5	-10
Paper	12.0	11.3	-6
Petroleum products	23.2	5.9	-75
Other products	391.0	323.9	-17
<b>Total</b>	<b>2094.4</b>	<b>1634.8</b>	<b>-22</b>



Exports from Vietnam to India : Commoditywise

(\$ million)

Commodity	2008	2009	% Increase
<b>Commodities showing rise</b>			
Computer hardware, electronics	29.1	44.2	52
Machinery, Instrument & parts	–	39.6	–
Chemicals	–	22.9	–
Coffee	10.6	22.5	112
Minerals	–	18.9	–
Pepper	9.1	15.3	68
Garment and textiles	9.6	14.1	50
Steel products	–	13.4	–
Plastic materials & products	3.4	13.3	291
Automobiles	–	11.4	–
Rubber	6.5	10.2	57
Transport & equipment	–	9.2	–
Tea	3.4	9.6	182
Wood and wooden products	5.8	9.2	59
Foot wear	5.6	6.2	11
<b>Commodities showing fall</b>			
Coal	54.8	17.5	-68
Other products	251.1	142.1	-43
<b>Total</b>	<b>389.0</b>	<b>419.6</b>	<b>8</b>



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Mr. Kamal K. Seth, President, IVCCI, H.E. Mr. Le Duong Quang Vietnam's Vice-Minister of Industry & Trade, Mr. Gul Kripalani President, IMC, Mr. Nguyen Viet Hung, Consul General of the Socialist Republic of Vietnam in Mumbai and Mr. Dilip Dandekar, Vice-President, IMC



Audience at the meeting



Audience at the presentation meeting on June 9, 2009



Mr. R. Subramaniam, Vice-President, Avalon Global Research address the audience.



### Interaction of CG with SGCCI - Surat

Mr. Nguyen Viet Hung, Consul General of the Socialist Republic of Vietnam in Mumbai addressed a meeting of members of the Southern Gujarat Chamber of Commerce and Industry (SGCCI) in Surat on 17th July, 2009



Mr. Nilesh Mandlewala, President, SGCCI, Mr. Nguyen Viet Hung Consul General of the Socialist Republic of Vietnam in Mumbai, Mr. Ranjan Bhatnagar, Hon. Secretary, IVCCI, Mr. Paresh Patel Group Chairman, Tourism Committee, SGCCI and Col. J P Saigal, Secretary-General, SGCCI



Mr. Hetal Mehta, Hon. Secretary, SGCCI, Mr. Jitendra Sanghvi Executive Secretary, IVCCI, Mr. Nilesh Mandlewala, President SGCCI and Mr. Nguyen Viet Hung, Consul General of the Socialist Republic of Vietnam in Mumbai



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Vietnam's economy

## The Tet effect

HANOI

### Worries about renewed overheating

**D**URING Tet, the lunar new year holiday, money is everywhere in Vietnam. It is dished out to children, gambled in roadside card-games, and splurged on gifts, feasts, and trips to home villages. This leads to an annual bump in inflation. And this year's spike in the consumer-price index, which rose by 2% in February, seemed bearable at a time of rapid growth. GDP grew by 5.3% last year. It came, however, among some more worrying signs.

On February 10th, just before Tet, the central bank devalued the currency, the dong, by 3.4%, following a devaluation of 5.4% in November. The aim was to entice holders of dollars to buy dong. A dollar shortage has been starving Vietnam's exporters of the currency they need to purchase imported parts and materials.

The government blamed the shortage on dollar hoarding, but the prime cause was its own stimulus spending. That juicy growth-rate came at a price. It is believed to have spent over \$1 billion in 2009 (over 1% of GDP) to prop up the economy, mainly by subsidising banks' loans to businesses. As a result, the credit supply expanded by 37%, driving up the black-market price of dollars.

Meanwhile, the exchange rate was artificially high, leading to a sharp rise in the trade deficit. Foreign-exchange reserves have shrunk. The government has reluctantly raised state-controlled commodity prices: petrol, electricity and coal are all to be more expensive. All of this has observers wondering whether inflation might be about to take off again, as it did in early 2008.

Some analysts saw it coming. In April last year Jonathan Pincus, an economist who has long followed Vietnam, wrote a paper arguing that Vietnam's options for responding to the global financial crisis were limited. With a small, open economy, it cannot maintain an overvalued exchange rate and pour in stimulus

spending without seeing much of the money leak away into trade deficits. At the time Mr Pincus argued it should depreciate its currency to boost exports, and focus investment on labour-intensive small businesses rather than inefficient state-owned enterprises (SOEs). The government did the opposite. The loan-subsidy programme largely benefited well-connected SOEs, and the currency has been kept artificially strong.

Independent Vietnamese economists have criticised the timing of the government's devaluations and price rises. If investors expect devaluations every three months, they argue, they will buy dollars and wait for the next one. Foreign businesses, meanwhile, are worried about how the government might respond if inflation does take off. The finance ministry has been circulating a draft decree that would allow the government to impose price controls on a wide range of essential goods. The European Chamber of Commerce has warned that such measures may well lead to nothing but "shortages" and "hoarding". So March's inflation data will be closely watched, for evidence of whether February's were simply a seasonally exuberant blip, or something more dangerous.

The Economist March 6th 2010



### Prime Minister approved cotton development plan

Prime Minister Nguyen Tan Dung has approved a plan to develop cotton cultivation, with the area under the crop to reach 30,000ha and output to increase to 20,000 tonnes in 2015. The plan also targets that the total area under cotton cultivation will increase to 76,000ha, with a total output of 60,000 tonnes in 2020. The development of cotton will be focused on intensive farming to raise output and quality, and develop large cotton plantations in many provinces.

Vietnam will offer financial support for building infrastructure and irrigation systems in cotton-zoned areas. The financial assistance will be granted for activities of cotton research and technology transfer. Cotton processors will also be encouraged to support cotton growers in mechanizing their cultivation progress from preparing land to harvesting, preserving and processing. A fund for stabilizing cotton prices will also be set up to ensure the benefits of growers. The cotton area of Vietnam has dropped to 3,000ha in the 2008-09 season from 32,600ha in the 2001-02 season.

### Telephone, internet subscriptions surge sharply

The number of telephone subscribers in Vietnam, a country of over 80 million-strong population, reached 130.4 million with an average of 152.5 sets of telephones for every 100 citizens. 85 per cent are mobile phone subscribers, representing a 152 per cent increase year on year. The Internet subscription has also surged sharply to 26.2 per cent of the national population. The industry has, therefore, posted a revenue of \$6.26 billion for 2009 amidst the global economic meltdown. The telecom enterprises reportedly invested some 60 trillion VND in infrastructure facilities. However, the gap between urban and rural areas remains large and quality of services still lags behind quantity.

### Crude exports down by 2.4% in 2009

Vietnam exported 13.416 million metric tons of crude oil valued at \$6.21 billion in 2009, down by 2.4% from a year earlier in terms of volume and down by 40% in value. In December, Vietnam shipped abroad 756,000 metric tons of crude oil worth \$443 million, up 14.89% and up 8.04% on-month, respectively. Crude oil is now Vietnam's second largest forex earner, representing

11% of the country's export revenues this year. The country's crude oil exports are projected to decrease by 28.2% to 9.43 million metric tons next year to feed its first oil refinery Dung Quat. The \$3.054-billion plant in the central province of Quang Ngai is expected to consume 3.5 billion tons of crude oil to produce 2.6 million tons of products in 2010.

### Vietnam foreign debt above 30 % of GDP

Vietnam's recent sale of \$1 billion in sovereign bonds has brought its foreign debt to more than 30 per cent of gross domestic product (GDP). The foreign debt-GDP ratio remained under a target rate of less than 50 per cent of GDP for the 10-year period ending 2010. Late last year donors pledged a record \$8.06 billion to Vietnam, most of it in the form of concessional loans. Vietnam will not sell dollar bonds on the domestic market this year, as it did in 2009, to avoid dollarisation of the economy.

### Vietnam oil reserves enough for production in next three decades

Vietnam's current estimated oil reserves are sufficient for the domestic production for next three decades. Vietnam has not been able to explore all its oil resources to make precise data on recoverable reserves. PetroVietnam had raised its oil equivalent reserves by 24.31 million tons last year, up 8% from a year earlier. The group produced 16.3 million tons of crude oil and eight billion cubic meters of natural gas in 2009. It plans to increase its oil equivalent reserve by between 35 million tons and 40 million tons this year. It targets to produce 15 million tons of crude oil and eight billion cubic meters of natural gas in 2010.

### Fertilizer import of 3.3 million tons in 2010

Vietnam will import 3.3 million tons of fertilizer this year to meet the domestic demand of about 9.1 million tons. Domestic production of fertilizer is estimated to reach 5.6 million tons this year, including 935,000 tons of urea, 2.7 million tons of NPK, 0.26 million tons of DAP and 1.7 million tons of phosphate.

### Import of 2.60 lakh tons of salt this year

Vietnam plans to import 2.60 lakh tons of salt this year due to falling domestic salt output. Salt marshes nationwide have expanded by 16 per cent to nearly 14,500 hectares so far but total salt output has decreased by 5 per cent over last year. As domestic salt demand keeps increasing by 1.3 million tons per year, Vietnam is always short of salt. Vietnam had imported 1.38 lakh tons of salt in 2007 and 2.40 lakh tons in 2009.

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**Model 250E**  
Blast Hole Drill  
Hole Dia : 228 - 279 mm



**Model 21**  
Rocker Shovel Loader  
Bucket Capacity : 0.22m<sup>3</sup>



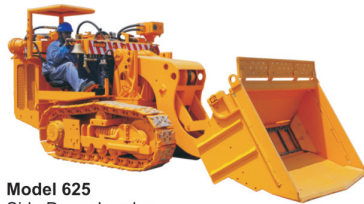
**Model 824**  
Rocker Shovel Loader  
Bucket Capacity : 0.425 m<sup>3</sup>



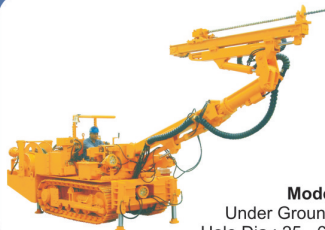
**Model 150 / 1000B**  
Hopper Loader  
Bucket Capacity : 0.15 m<sup>3</sup>



**Model 625**  
Side Dump Loader  
Bucket Capacity : 1.1 m<sup>3</sup>



**Model 611**  
Under Ground Drill  
Hole Dia : 25 - 64 mm



**Model 611**  
Side Dump Loader  
Bucket Capacity : 1.1 m<sup>3</sup>



**Model 811**  
Load Haul Dumper  
Bucket Capacity : 1.5 m<sup>3</sup>



**Model AL 120**  
Articulated Wheel Loader  
Bucket Capacity : 1.2 m<sup>3</sup>



**Model 811**  
Load Haul Dumper (low height)  
Bucket Capacity : 1.5 m<sup>3</sup>



**Model 912E**  
Load Haul Dumper  
Bucket Capacity : up to 3.5 m<sup>3</sup>



**Model 912 CH**  
Coal Hauler  
Bucket Capacity : 5.0 m<sup>3</sup>



**Model 912B MK - II**  
Load Haul Dumper  
Bucket Capacity : 2.0 m<sup>3</sup>



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