

**VIET NAM – SINGAPORE ECONOMIC RELATIONS:  
FUTURE DEVELOPMENT OF DA NANG CITY  
12 May 2021**



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# **Singapore-Vietnam Economic Relations**

## **Facts, Foundation, and Future Prospects**

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# Outline

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- Facts
- Foundation
- Future prospects



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# -Facts-



THE LEADING  
**Integrated Township & Industrial Park**  
DEVELOPER IN VIETNAM

- + VSIP JV was established in 1996 by Sembcorp & BECAMEX
- + 08 Industrial Parks across provinces in Vietnam
- + Attracted US\$15 billion from 30 countries
- + 880 tenant companies
- + 250,000 workers

<https://www.vsip.com.vn/AboutUs>

# Singapore's investment in Vietnam

## Cumulative FDI by sector

Order	Sector	Projects		Investment value		Average size per project (US\$ mn)
		#	Share in total	US\$ mn	Share in total	
1	Manufacturing	371	19.6%	14,090	34.9%	38.0
2	Electricity and gas	31	1.6%	11,191	27.8%	361.0
3	Real estate	118	6.2%	10,045	24.9%	85.1
4	Wholesale, retail, and repair services	484	25.5%	1,306	3.2%	2.7
5	Transport and storage	102	5.4%	721	1.8%	7.1
6	Water supply and waste treatment	5	0.3%	552	1.4%	110.5
7	Construction	64	3.4%	537	1.3%	8.4
8	Professional, science, and tech. services	334	17.6%	526	1.3%	1.6
9	Healthcare	21	1.1%	425	1.1%	20.2
10	Agriculture and aquaculture	21	1.1%	344	0.85%	16.4
11	Information and communication	212	11.2%	237	0.59%	1.1
12	Admin and support services	25	1.3%	104	0.26%	4.2
13	Education and training	58	3.1%	84	0.21%	1.5
14	Entertainment	3	0.2%	79	0.20%	26.3
15	Accommodation and restaurants	34	1.8%	55	0.14%	1.6
16	Mining	3	0.2%	16	0.04%	5.5
17	Finance, banking, an insurance	6	0.3%	4	0.01%	0.6
18	Other services	4	0.2%	2	0.01%	0.6
	<b>TOTAL</b>	<b>1,896</b>	<b>100.0%</b>	<b>40,318</b>	<b>100.0%</b>	<b>21.3</b>

# Singapore's investment in Vietnam

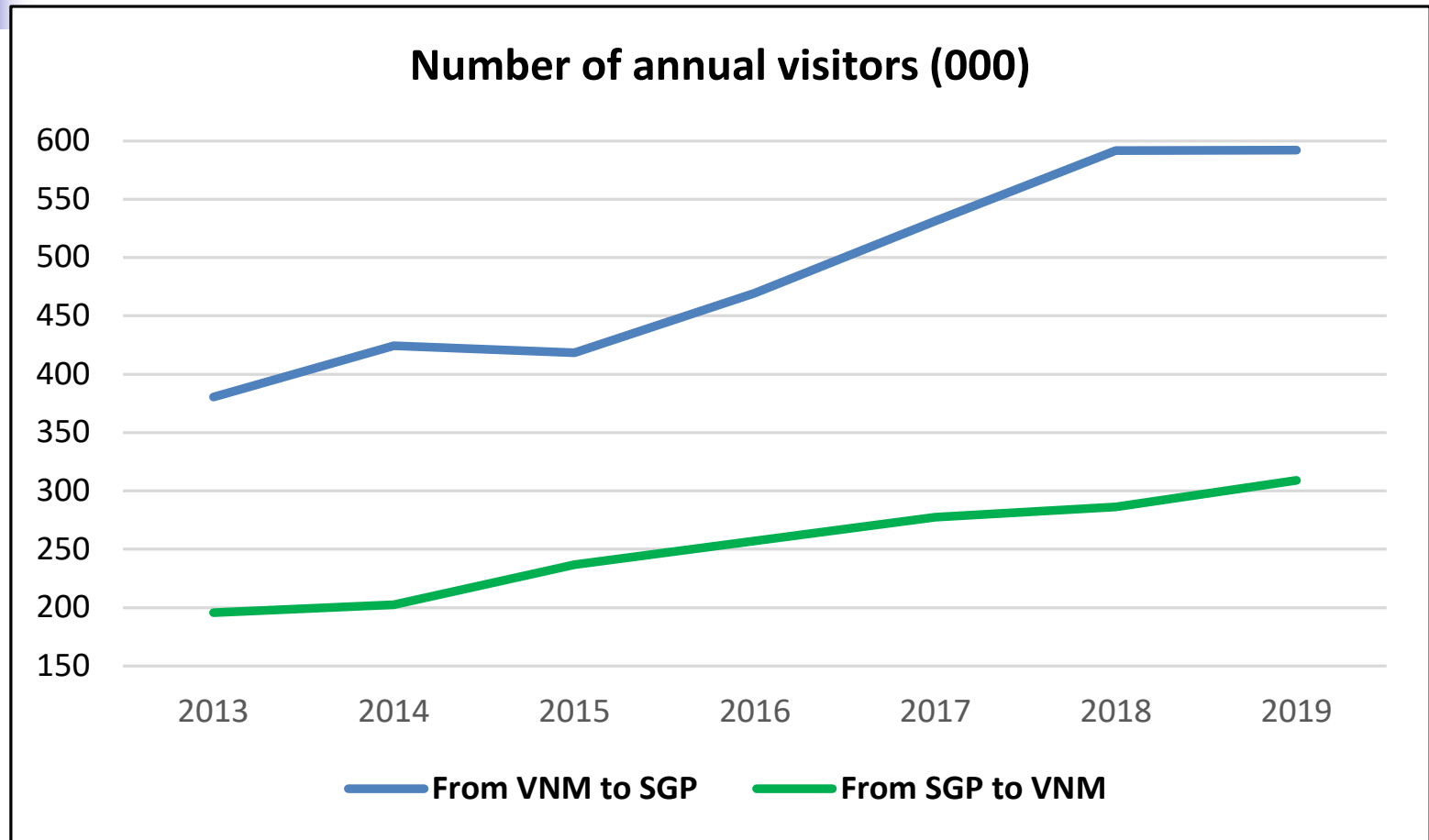
## Cumulative FDI by location

Order	Province/City	Projects		Investment value		Average size per project (US\$ mn)
		#	Share in total	US\$ mn	Share in total	
1	Ho Chi Minh City	1,062	56.0%	6,622	16.4%	6.2
2	Quang Nam	9	0.5%	4,036	10.0%	448.5
3	Bac Lieu	1	0.1%	4,000	9.9%	4,000.0
4	Long An	36	1.9%	3,478	8.6%	96.6
5	Ha Noi	287	15.1%	2,792	6.9%	9.7
6	Binh Duong	133	7.0%	2,604	6.5%	19.6
7	Hai Phong	38	2.0%	2,228	5.5%	58.6
8	Thai Nguyen	4	0.2%	2,215	5.5%	553.8
9	Nam Dinh	2	0.1%	2,152	5.3%	1,076.1
10	Dong Nai	49	2.6%	1,405	3.5%	28.7
11	Bac Giang	10	0.5%	1,012	2.5%	101.2
12	Bac Ninh	33	1.7%	981	2.4%	29.7
13	Ben Tra	8	0.4%	829	2.1%	103.7
14	Ba Ria-Vung Tau	24	1.3%	782	1.9%	32.6
15	Vinh Phuc	12	0.6%	515	1.3%	42.9
16	Da Nang	30	1.6%	475	1.2%	15.8
17	Ninh Thuan	4	0.2%	472	1.2%	117.9
18	Thanh Hoa	11	0.6%	468	1.2%	42.6
19	Hung Yen	12	0.6%	449	1.1%	37.4
20	Binh Phuoc	19	1.0%	355	0.9%	18.7
***	Other 43 provinces	112	5.9%	348	0.9%	3.1
	<b>TOTAL</b>	<b>1,896</b>	<b>100.0%</b>	<b>40,318</b>	<b>100.0%</b>	<b>21.3</b>

# Singapore's share in FDI inflows to Vietnam 2016-2021

Year	Rank	Number of projects			Total register capital (US\$ Million)		
		TOTAL	SGP	SGP Share	TOTAL	SGP	SGP Share
2021 (4M)	1	451	56	12.4%	12,251	4,846.01	39.6%
2020	1	2,610	256	9.8%	31,045	9,494.97	30.6%
2019	3	4,028	304	7.5%	38,952	4,421.21	11.4%
2018	3	3,147	228	7.2%	36,369	5,249.95	14.4%
2017	3	2,741	194	7.1%	37,101	5,894.86	15.9%
2016	3	2,613	213	8.2%	26,890	2,414.74	9.0%

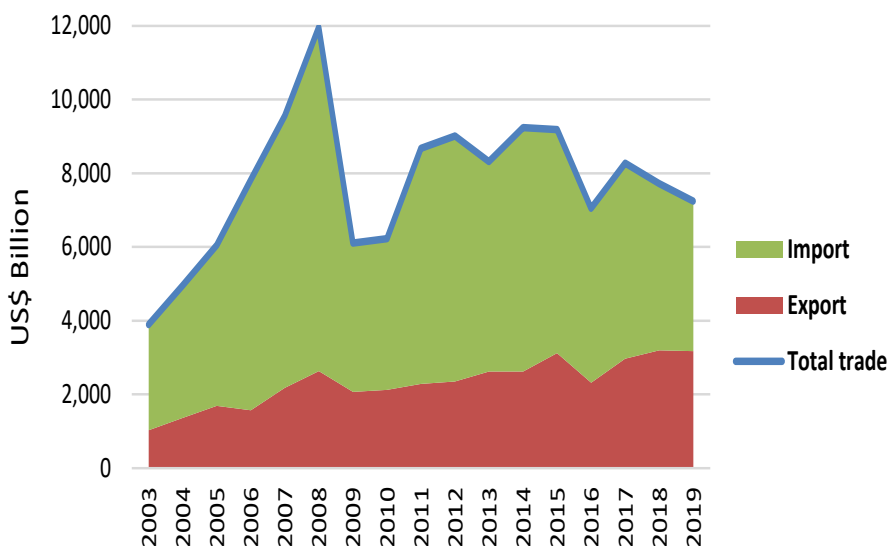
# Tourist and business travel between Singapore and Vietnam



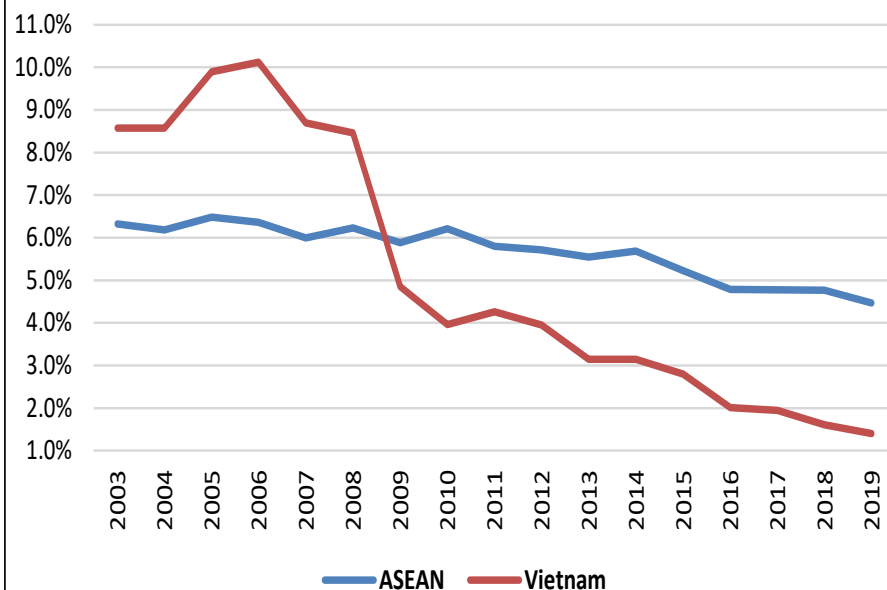
Source: ASEAN Statistics (2020)

# Singapore-Vietnam trade links

Vietnam's merchandise trade with Singapore



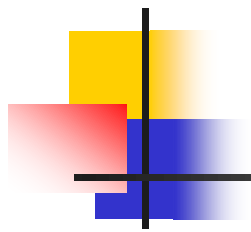
Singapore's share in total merchandise trade by partner



Source: ASEAN Statistics (2020)

Note: IMTS data





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# -Foundation-

# Foundation



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- Pillar #1: Strategic fit
- Pillar #2: Synergy:  $SGP\&VNM > SGP+VNM$
- Pillar #3: Symbiosis

# Pillar #1: Strategic fit

- **Concept:** Strategic thinking about the drivers of development
  - Governance; human capital; infrastructure and urban development; technology, learning and innovation
  - Global integration/platform economy
  - The digital revolution
- **Commitment:** long-term vision for the country's future; strong ties between the two countries' leaders.
- **Capacity:** political stability, strategic objectives and long-term plans, and coordination capabilities

Country	# of FTAs
Singapore	13
Vietnam	12
China	10
Indonesia	8
Thailand	8
Malaysia	7
Philippines	7
India	4

Source: WTO

# Pillar #1: Strategic fit

## Strong ties between the two countries' leaders



*PM Lee Hsien Loong in the meetings with CPV General Secretary Nguyen Phu Trong (23/03/2017) and then PM (now President) Nguyen Xuan Phuc (28/04/2018).*

# Pillar #1: Strategic fit

## Strong ties between the two countries' leaders

- The two government leaders rejoiced at the positive developments in bilateral cooperation despite difficulties brought by COVID-19. They noted that Singapore was the biggest investor in Việt Nam in 2020 and the first quarter of 2021.
- They agreed to **bolster joint work in fields of the countries' potential and strength, such as finance, information technology, agro-fisheries, education-training, and infrastructure,** while seeking to expand cooperation in areas related to ***the Fourth Industrial Revolution such as clean energy, smart city, innovation, digital economy, as well as the sharing of experience in management, economic development, and human resources training.***



*Vietnamese Prime Minister Phạm Minh Chính during his phone talk with PM Lee Hsien Loong on 21 April 2021— VNA*

<https://vietnamnews.vn/politics-laws/929630/singaporean-pm-affirms-high-priority-for-bilateral-relations-in-phone-call-with-vietnamese-counterpart.html>

# Pillar #2: Synergy

## SGP & VNM > SGP + VNM

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- Size & natural endowments:
  - Population: 5m vs. 100m
- Level of development
  - GDP per capita income:
    - US\$: SGP=58,900 vs. VN=3,500
    - PPP\$: SGP=97,100 vs. VN=10,870
- Vietnam's potentials & Singapore's development experiences
- Momentum: vibrant, broad-based, and accelerating.

# Pillar #3: Symbiosis

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- SGP&VNM ecosystem:
    - Bonding & integration (people-people)
    - Investment, education, tourism, medical treatments
  - Singapore's reputation and a source of inspiration
  - Singapore-based development initiatives by private sector:
    - Example: Chandler Institute of Governance  
<https://www.chandlerinstitute.org/>  
<https://chandlergovernmentindex.com/>



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**-Future prospects-**



# Future prospects

- Vietnam's journey to prosperity: 2021-2045
  - Vision 2045: "*Vietnam aims to become a developed nation by 2045 when the country celebrates the 100th anniversary of independence*" (the 13<sup>th</sup> Party Congress's Resolution, February 2021)
  - Strategic objective:
    - GDP per capita (US\$): 3,500 → 15,000 (+6%/year)
    - Total GDP (US\$): 340 billion → 1,850 billion (+7%/year)
- Potential contributions of Singapore
  - FDI (capital & experience)
  - Consultancies (knowledge & wisdom): urban development & management, digital transformation, governance.
  - Education, training, and innovation
- Leveraging the Singapore-Vietnam economic relations to foster ASEAN's integration and prosperity.



# Singapore's ASEAN strategy

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## ■ Positioning:

- A platform, convenor, and facilitator for unleashing ASEAN potentials through helping ASEAN countries deepen its economic integration with the world.
- A launchpad for global firms to leverage Singapore to go into the region

## ■ Strategic focus

- Promoting ASEAN's digital economy (projected to reach projected US\$300 billion in value by 2025): start-ups.
- Fostering ASEAN manufacturing sector: the Southeast Asia Manufacturing Alliance.

Source: EDB, <https://www.edb.gov.sg/>

# Da Nang can be a key lever of Singapore's ASEAN strategy

- One of Vietnam's five major cities and the economic hub of central Vietnam provinces (~20m people)
- An active member of the ASEAN smart city network.
- Excellent SCORE qualities



# Policy recommendations

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- Awareness and belief (assumptions, information, motivation).
- Cost-benefits
  - Research support
  - Incentives
- Enablers
  - Platforms: Danang as an example
  - Coordination and monitoring: annual review report



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**Thank You  
For Your Attention**