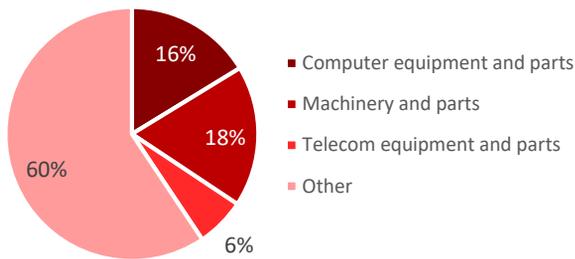


VIETNAM - 2017 ADVANCED ENGINEERING



Machinery and equipment are among the top imports in Vietnam. The current boom in urban infrastructure development and increasing population highlight the technological renovation demand of advanced machinery and electrical equipment for construction, manufacturing and agriculture cultivation.

Import to Vietnam in April 2017

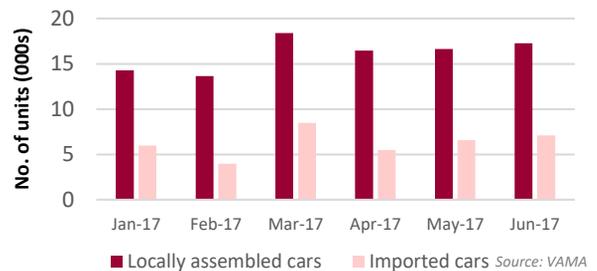


Source: Vietnam Custm

Machinery and parts continue to rank as the top import commodities in Vietnam: 23% of total imports came from electrical machinery/equipment (US\$45.6 billion) and 10.6% came from machinery including computers (US\$21 billion) in 2016. Within that, the UK exported US\$166.5million of machinery and parts (HS 84) to Vietnam, accounted for 25% of the total UK's export to the country. The EU-Vietnam FTA is expected to take effect from the beginning of 2018 which may still offer a degree of benefit to UK.

Automotive – In mid-2017, sales have fallen 6% year-on-year to around 154,930 unit (Vietnam Automobile Manufacturers' Association - VAMA).

Vietnam's car sales Q1 - Q2 2017



Export of motor cars and vehicles from the UK to Vietnam reached \$49.2m with a volume of 950 units, recording a 94.5% increase from US\$25.3m (718 units) in the previous year.

With the ASEAN FTA taking its effect, import tariffs is decreasing to 30% in 2017 from 40% in 2016, and to 0% eventually in 2018. As a result, customers are reluctant to buy while waiting for the full removal of import tariffs in 2018.

Aerospace: Vietnam's aviation transport market achieved growth in 2016 with more than 52 million passengers, which is 29% higher than last year.

The flag carrier Vietnam Airlines has around 86 airplanes and considers spending nearly \$92.5 million for fleets in its 2017 investment plan. The second biggest and private carrier VietJet Air operates more than 45 airplanes. As part of its expansion and aim to reach the 100 aircraft milestone in 2021, VietJet Air is currently looking at oversea listing with interest from London, Hong Kong and Singapore stock exchange.

Contact

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