

**MINISTRY OF INDUSTRY AND TRADE
VIET NAM INDUSTRY AND TRADE INFORMATION CENTER**

REPORT

**In depth analysis, information on the capabilities and needs regarding the co-operation on
Production, Investment, Technology, Trade between Viet Nam and other members of
CPTPP in the engineering industry**

June 2020 issue

UNDER THE MISSION

**“To provide two-way information for the co-operation on Production,
Investment, Technology and Trade of a number of key industrial goods between
VN and other members of the CPTPP”**

Ha Noi, 2020

TABLE OF CONTENT

I. Production, consumption and manufacturing technology of Viet Nam’s mechanical engineering industry	2
<i>I. Production and Consumption:</i>	2
2. Manufacturing technology of mechanical engineering industry:	4
3. Opportunity for cooperation, investment and technology transfer with CPTPP members.....	5
II. The importation and exportation of machinery, equipment and spare parts between Viet Nam and other CPTPP members	7
<i>1. Importation:</i>	7
1.1. General information regarding the information from other CPTPP members	7
1.2. In depth information regarding the importation form other CPTPP members	9
2. Exportation:.....	13
2.1.General information regarding the exportation to other CPTPP countries:	13
2.2. In-depth information regarding the exportation to other CPTPP’S members:	15
III. Policies regarding the co-operation in production, investment, technology and trading of Vietnam’s mechanical engineering industry.....	20
IV. Appendix:	21

I. Production, consumption and manufacturing technology of Viet Nam’s mechanical engineering industry

I. Production and Consumption:

* Production: The Covid-19 has left a severe impact on industrial production for the second quarter of 2020. However, as the situation of the pandemic was relatively under control, the whole country entered a period of preventing and fighting against the disease as well as recovering and developing the economy. All the sectors are operating again as usual, the production of many industries has prospered and gradually gained the growth since May. The Index of industrial production in June rose 10,3% when compared to the previous month and 7% when compared to the same time period last year.

The domestic production of mechanical engineering products in June, 2020 climbed 7,6% over the previous month and by 6,4% in comparison with June, 2019. Generally, in the first 6 months of 2020, the production index of this sector tumbled by 5,3% over the same time period last year.

In particular, the output of many machines and equipment of the first 6 months of 2020 slumped over the same period last year such as: The sewing machine (except book sewing machine and consumer sewing machine) went down by 3,9%; Generator set dropped by 29,9%; Electric transformers with power >16 kVA and ≤ 500 kVA fell by 8,1%; DC motors ≤ 37,5 tumbled by 4,8%,.... The production of AC transformers increased significantly 108,6% to 11,93 thousand sets.

Table 1: Domestic production of mechanical engineering products in June, 2020 and in the first 6 months of 2020

Products	Unit of measurement	June, 2020	When compared to May, 2020 (%)	When compared to June, 2019 (%)	The first 6 months of 2020	When compared to the first 6 months of 2019 (%)
DC motors and DC generators	Pcs	39.083.682	1,42	7,57	225.068.406	0,3
DC motors ≤ 37.5 W	Pcs	41.928.671	16,31	12,99	210.180.027	-4,8
Consumer sewing machine	Pcs	514.041	3,15	-3,04	2.625.114	-2,0
Uncategorized specialized machine and mechanical equipment	Pcs	149.093	-1,08	3,63	781.017	0,1

“In depth analysis, information on the capabilities and needs regarding the co-operation on Production, Investment, Technology, Trade between Viet Nam and other members of CPTPP in the engineering industry” June 2020 issue.

Products	Unit of measurement	June, 2020	When compared to May, 2020 (%)	When compared to June, 2019 (%)	The first 6 months of 2020	When compared to the first 6 months of 2019 (%)
Sewing machine (except Book sewing machine and consumer sewing machine)	Pcs	12.786	3,29	-26,67	76.575	-32,9
AC transformer	Set	2.303	-0,53	-0,29	12.191	-1,5
Liquid power transformer with power capacity not exceeding 650 KVA	Pcs	196	-41,32	-83,06	11.928	108,6
Transformer with power capacity from 16 kVA to 500 kVA	Pcs	529	19,89	-22,19	2.550	-8,1
Generator set	Set	182	8,98	-40,13	1.066	-20,9

Source: Preliminary statistical data of the General Statistics Office of Viet Nam

* Consumption: According to the data given by The General Statistics Office of Vietnam, in the first 5 months of 2020, some types of machines and equipments have massive consumption: DC motors and DC generators increased by 4,59% and reached nearly 192,95 million units; DV motors $\leq 37,5$ kw reached 178,26 million units, fell by 3,72 %;.....Particularly, the consumption of AC transformers reached 11,75 thousand units, rose significantly by 156,26% when compared to the same period in 2019

Table 2: Domestic consumption of mechanical engineering products in May, 2020 and in the first 5 months of 2020

Products	Unit of measurement	May, 2020	When compared to April 2020 (%)	When compared to May 2019 (%)	The first 5 months of 2020	When compared to the first 5 months of 2019 (%)
DC motors and DC generators	Pcs	33.220.087	-9,94	-17,27	192.946.285	4,59
DC motors ≤ 37.5 W	Pcs	32.120.575	-7,52	-13,71	178.264.153	-3,72
Consumer sewing machine	Pcs	474.445	-2,41	10,63	2.066.809	15,30
Uncategorized specialized machine and mechanical equipment	Pcs	132.791	12,23	-7,74	638.979	-1,59
Sewing machine	Pcs	10.218	-11,09	-51,96	65.895	-34,43

“In depth analysis, information on the capabilities and needs regarding the co-operation on Production, Investment, Technology, Trade between Viet Nam and other members of CPTPP in the engineering industry” June 2020 issue.

Products	Unit of measurement	May, 2020	When compared to April 2020 (%)	When compared to May 2019 (%)	The first 5 months of 2020	When compared to the first 5 months of 2019 (%)
(except Book sewing machine and consumer sewing machine)						
AC transformer	Set	344	-88,65	-63,71	11.752	156,26
Liquid power transformer with power capacity not exceeding 650 KVA	Pcs	2.358	21,42	3,47	9.796	-1,22
Transformer with power capacity from 16 kVA to 500 kVA	Pcs	419	35,54	-42,15	1.948	-12,17
Generator set	Set	167	-13,92	-57,07	988	-6,44

Source: Preliminary statistical data of the General Statistics Office of Viet Nam

2. Manufacturing technology of mechanical engineering industry:

According to Vietnam Association of Mechanical Industry (VAMI)’s evaluation, the equipment of mechanical companies is now two to three generations behind the world. Mechanical enterprises, which have numerical control equipment (PLC, CNC), account for a small proportion. About 15% of these devices have not been fully utilized due to low uniformity in production. Some specific fields such as Vietnam’s design technology is assessed to be equivalent nearly to 70% of the world; machining technology is equivalent to 70%; testing technology equivalent to is better at 78% and assembly technology is equivalent to 76%.

According to The Ministry of Science and Technology, Vietnam’s mechanical industry level still has not kept pace with the world. This results from the lacking synchronicity in operating supporting mechanism and policies. On the other hand, the invested funding for research, experiment and testing activities does not meet the mechanical industry’s demand. In addition, there is a shortage of staff specializing in science and technology in this industry. The environment has not yet stimulated professional expertise abroad in mechanical engineering field to participate in research and technology transfer.

In order to promote the development of technology in mechanical engineering, experts believe that it is essential to both further strengthen the connection among managers, scientists and enterprises in research and development of production technology and focus on researching, applying and mastering high technologies, technologies prioritizing development such as new materials, heat treatment, precision mold fabrication,...It is necessary to review and ameliorate the system of mechanisms and policies towards encouraging enterprises in general and mechanical enterprises in particular; strengthen the connection and technology transfer from suppliers who have advanced technologies in the world; focus on industrial revolution 4.0. Mechanical enterprises need to be aware of the important role of science and technology in production and business activities, especially the role of leader to concentration on researching and developing matching with markets's demand. In addition, it is crucial to keep close connection with scientists and experts in institutes, organizations and centers in activities of research, application, innovation to elevate the quality of products and meet consumers's standard.

3. Opportunity for cooperation, investment and technology transfer with CPTPP members:

Vietnam International Advertising Equipment and Technology Exhibition and Vietnam International Printing and Packaging Exhibition .

From June 26 to June 28, 2020 at the Hanoi Friendship Cultural Palac, there are two international technology exhibitions: Vietnam International Advertising Equipment and Technology Exhibition (VIETAD 2020) and Vietnam International Printing and Packaging Exhibition (VPSE 2020)

Hanoi VietAD 2020 and Hanoi VPSE 2020 took place with a scale of 180 booths, bringing together many advanced machines, equipment and technologies all around the world of advertising and printing fromKorea, China, America, Europe,....

These two exhibitons are not only for display but also places to connect manufacturers, suppliers providing advanced technologies around the world with Vietnam's enterprises and consumers in investment, procurement, innovation and technology transfer.

Vietnam - Japan’s online supporting products trading.

On July 7, 2020, Vietnam Trade Promotion Agency, in coordination with Asia-Africa Market Department (Ministry of Industry and Trade), Vietnam Trade Office in Japan and Tokyo Small and Medium Enterprise Support Center organized Online trade Conference of supporting products of Vietnam - Japan. The conference aims to support Vietnamese enterprises to find partners in processing, manufacturing, joint venture, and exporting supporting industrial products to the Japanese market in the situation of the Covid-19 epidemic.

Attending the conference, the Japanese side included businesses which have demand to order products, looking for processing partners, technical cooperation partners to develop products, joint venture partners or importers from Vietnam in a variety of products and components in supporting industries such as: Products processed through mechanical processing systems (CNC lathes, welding machines, spark-ignition processing systems, etc.); agricultural equipment, machinery and spare parts; frames and brackets of all kinds; metal roofing for folding tables; copper core; molds, plastic components, products from extrusion technology; automotive interior equipment ...Vietnam’s companies come from 6 provinces: Ha Noi, Ho Chi Minh City, Bac Ninh, Dong Nai, Hung Yen và Long An attending with the aim of offering, introducing and cooperation.

According to Vietnam Trade Counselor in Japan, the supporting industry cooperation between two countries is till not commensurate with the existing potential. Supporting industry enterprises in Vietnam need to research and develop, invest in modern equipment, increase technical content for products to process, export products of higher value and become a joint venture partner with Japanese enterprises. At present, some of Vietnam’s components producing manufacturing companies have good capacity in some areas such as manufacturing molds of all kinds, standard mechanical components,.... which is suitable with production order of Japanese enterprises, especially, those attending this online trade conference.

The Tokyo small and Medium Enterprise Support Center announces that, at present, there are many Japanese companies are expanding in Vietnam. Through this online trade conference, the two side’s businesses can create the most successful business cooperation in the field of supporting industry.

The Ministry of Industry and Trade will continue to combine with Ministries and branches to implement various measures to promote the development of supporting industries as well as improve the competitiveness of industrial enterprises which help Vietnam and connect our country with foreign partners. In particular, it is essential to enhance the coordination of propaganda and consultancy to assist Vietnamese enterprises in the supporting industries on production and quality improvement; to organize events to cooperate Vietnam’s supporting industries businesses with abroad enterprises.

II. The importation and exportation of machinery, equipment and spare parts between Viet Nam and other CPTPP members

1. Importation:

1.1. General information regarding the information from other CPTPP members

According to the data given by the General Department of Viet Nam Customs, in June, 2020, the import turnover of machinery, equipment and spare parts reached over 2.96 billion USD, increased by 15% over the previous month and by 5,08% over June, 2019. In particular, the import turnover of these products from CPTPP markets got 449,79 million USD, accounted for 17,68% of the country’s total import turnover, went down nearly by 12,98% over the month earlier and by 12,98% over the same time period last year.

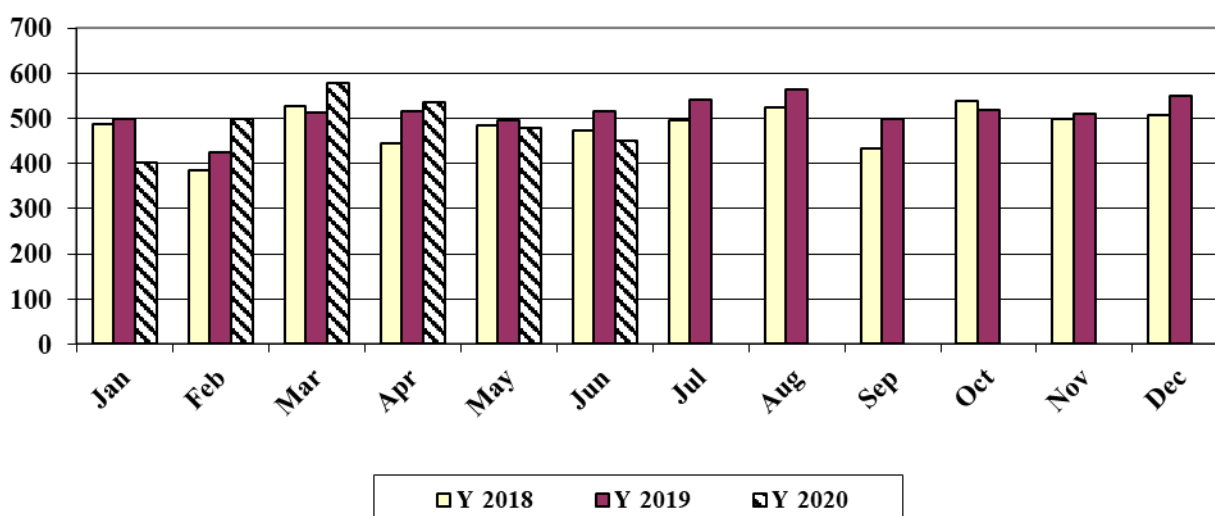
In the first 6 months of 2020, the country’s total import turnover of machinery, equipment and spare parts reached 16,82 billion USD, dropped by 4,5% compared to the same time period of 2019. The import turnover from CPTPP members was over 2.97 million USD, climbed by 0,06% over the same period in 2019, instituted 15,17% of the country’s total import turnover.

Table 3: The turnover of Viet Nam’s mechanical engineering products imported from other CPTPP members in June 2020 and in the first 6 months of 2020

Market	June 2020 (Million USD)	When compared to May, 2020 (%)	When compared to June, 2019 (%)	The first 6 months of 2020 (USD)	When compared to the first 6 months of 2019 (%)	Percentage of the first 6 months of 2020 when compared to CPTPP (%)	Percentage of the first 6 months of 2020 when compared to the whole country (%)
Total	2.964.675.831	15,00	5,08	16.820.422.668	-4,5	*	100,00
<i>CPTPP Sector</i>	<i>449.785.787</i>	<i>-6,25</i>	<i>-12,98</i>	<i>2.973.180.868</i>	<i>0,06</i>	<i>100,00</i>	<i>17,68</i>
Japan	325.712.782	17,66	-18,37	2.177.296.405	-4,85	73,23	12,94
Malaysia	76.286.920	30,74	26,85	368.192.411	1,18	12,38	2,19
Singapore	35.118.893	9,42	1,82	236.257.228	18,08	7,95	1,40
Mexico	5.810.414	-94,36	-43,98	139.507.012	121,56	4,69	0,83
Canada	3.054.232	-49,67	-59,33	28.668.946	21,45	0,96	0,17
Australia	3.503.621	9,62	-20,96	20.608.141	-13,05	0,69	0,12
New Zealand	298.925	4,16	-68,24	2.650.725	-69,87	0,09	0,02

Source: Preliminary statistical data of the General Department of Viet Nam Customs

Figure 1: The turnover of Viet Nam’s machinery, equipment and spare parts imported from other CPTPP members during 2018-2020 (Unit: million USD)



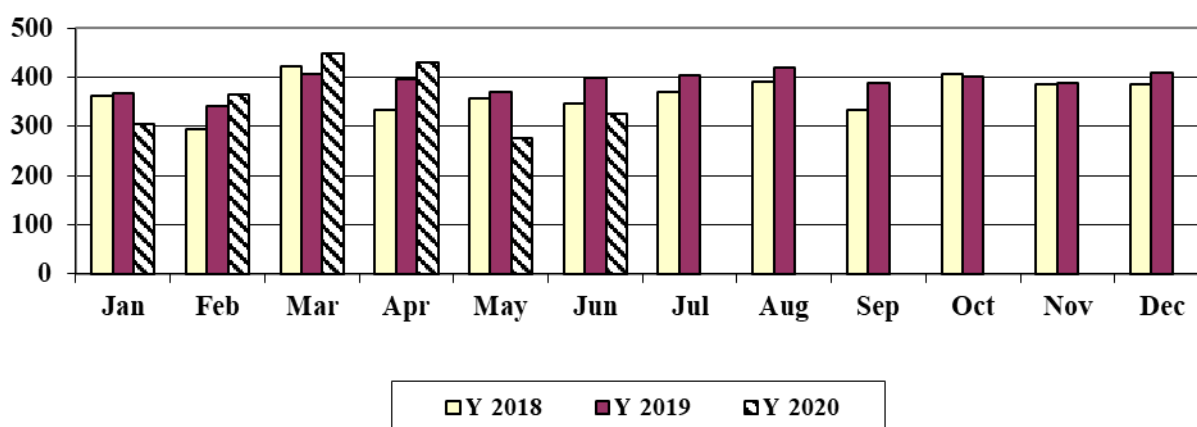
Source: Preliminary statistical data of the General Department of Viet Nam Customs

1.2. In depth information regarding the importation form other CPTPP members

1.2.1. The importation of machinery, equipment and spare parts from Japan.

Japan still remains as Viet Nam’s largest exporter of mechanical engineering products in the CPTPP sector. In the month of June, 2020, the turnover of Viet Nam’s mechanical engineering products imported from Japan reached 325,71 million USD, grew by 17,66% over the last month, however, decreased by 18,37% when compared to June, 2019.

Figure 2: The turnover of Viet Nam’s machinery, equipment and spare parts imported from Japan during 2018-2020 (Unit: million USD)



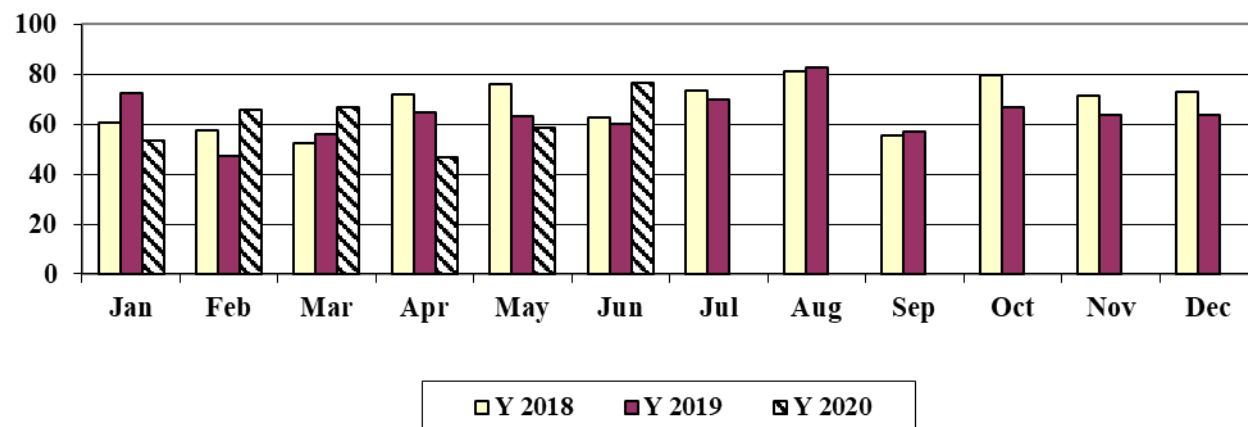
Source: Preliminary statistical data of the General Department of Viet Nam Customs

For the first 6 months of 2020, the total import turnover from Japan was almost 2,18 billion USD, plunged by 4,85% over the same time period last year, accounted for 73,23% of the import turnover of this type of goods from CPTPP members and 12,94 of our country’s total import turnover.

1.2.2. The importation of machinery, equipment and spare parts from Malaysia

In June, 2020, the turnover of Viet Nam’s machinery, equipment and spare parts imported from Malaysia reached 76,29 million USD, went up by 30,74% over the month earlier and by 26,85% compared to June 2019. In general, within the first 6 months of 2020, the total turnover of Viet Nam’s mechanical engineering products imported from Malaysia was over 368,19 million USD, rose by 1,18% when compared to the same time period in 2019, accounted for 12,38% of the total import turnover from CPTPP markets and 2,19% of the country’s total import turnover.

Figure 3: The turnover of Viet Nam’s machinery, equipment and spare parts imported from Malaysia during 2018-2020 (Unit: million USD)

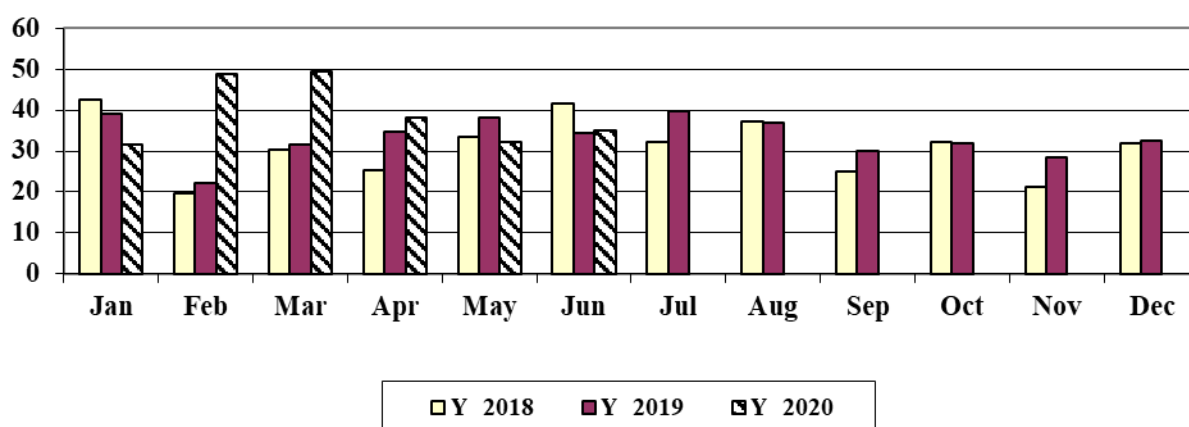


Source: Preliminary statistical data of the General Department of Viet Nam Customs

1.2.3. The importation of machinery, equipment and spare parts from Singapore

The turnover of machinery, equipment and spare parts imported from Singapore in June, 2020 reached 35,12 million USD, increased by 9,42% over the previous month and by 1,82% over the same month last year. In the first 6 months of 2020, the total import turnover from Singapore was 236,26 million USD, rose by 18,08% when compared to the same time period in 2019, accounted for 7.95% of the import turnover from CPTPP sector and 1.4% of Vietnam’s total import turnover.

Figure 4: The turnover of Viet Nam’s machinery, equipment and spare parts imported from Singapore during 2018-2020 (Unit: million USD)

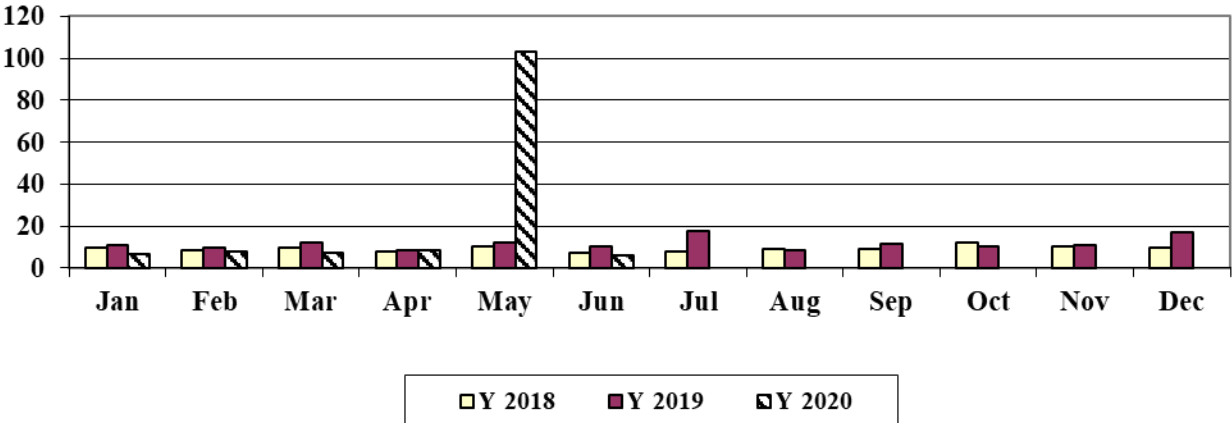


Source: Preliminary statistical data of the General Department of Viet Nam Customs

1.2.4. The importation of machinery, equipment and spare parts from Mexico

After growing up dramatically in May, the turnover of machinery, equipment and spare parts imported from Mexico in June, 2020 only reached 5,81 million USD, went down significantly by 94,36% over the month earlier and by 49,98 when compared to June, 2019. Mexico has become the fastest growing exporter of machinery, equipment and spare parts to Viet Nam among the members of the CPTPP. In the first 6 months of 2020, the total turnover of Viet Nam’s electronic products mechanical engineering products imported from Mexico reached 139,51 million USD, climbed greatly by 121,56% over the same time period in 2019, accounted for 4,69% of the import turnover from CPTPP markets and 0.83% of our country’s total import turnover.

Figure 5: The turnover of Viet Nam’s machinery, equipment and spare parts imported from Mexico during 2018-2020 (Unit: million USD)

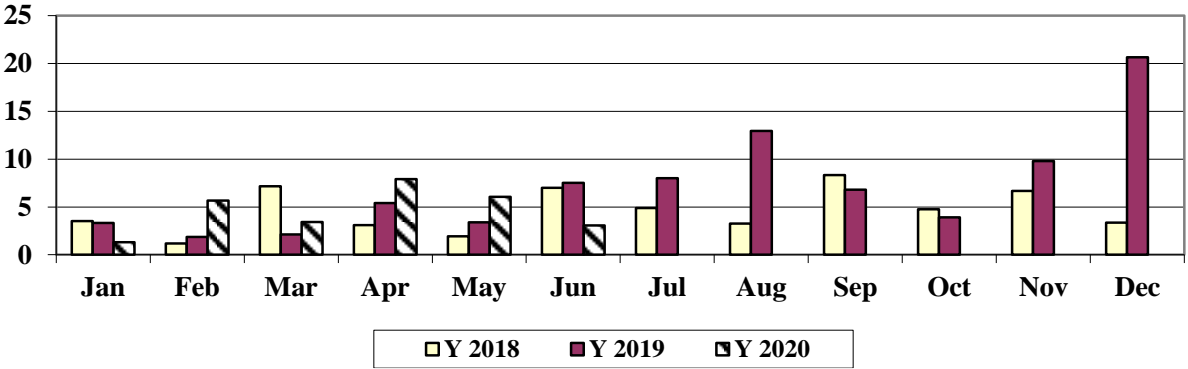


Source: Preliminary statistical data of the General Department of Viet Nam Customs

1.2.5. The importation of machinery, equipment and spare parts from Canada

June, 2020 recored the turnover of Viet Nam’s machinery, equipment and spare parts imported from Canada reaching 3,05 million USD, continuing to drop by 49,67% over the previous month and by 59,33% when compared to the same time period last year. Generally, within the first 6 months of 2020, the total turnover of Viet Nam’s mechanical engineering products imported from Canada reached 28,67 million USD, sharply increased by 59.03% over the same time period in 2019, accounted for 0,96% of the import turnover from CPTPP members and 0.17% of the country’s total import turnover.

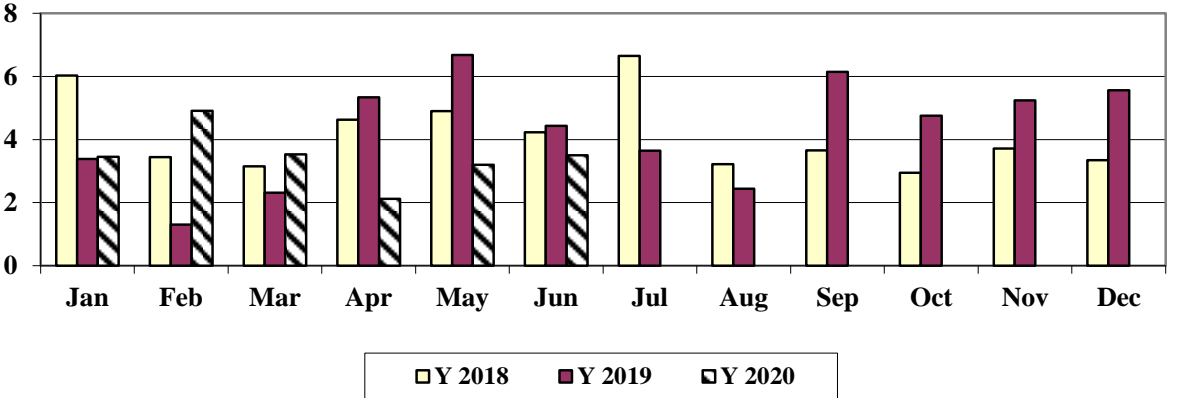
Figure 6: The turnover of Viet Nam’s machinery, equipment and spare parts imported from Canada during 2018-2020 (Unit: million USD)



Source: Preliminary statistical data of the General Department of Viet Nam Customs
 1.2.6. The importation of machinery, equipment and spare parts from Australia

The turnover of machinery, equipment and spare parts imported from Australia in the month of June, 2020 reached over 3.5 million USD, went up by 9,62% over the previous month but went down by 20,96% when compared to June, 2019. In the first 6 months of 2020, the total import turnover of mechanical engineering products imported from Australia gained 20,61 million USD, plunged by 13,05% over the same time period of 2019, instituted 0.69% of the import turnover from CPTPP sector and 0.12% of the country’s total import turnover.

Figure 7: The turnover of Viet Nam’s machinery, equipment and spare parts imported from Australia during 2018-2020 (Unit: million USD)

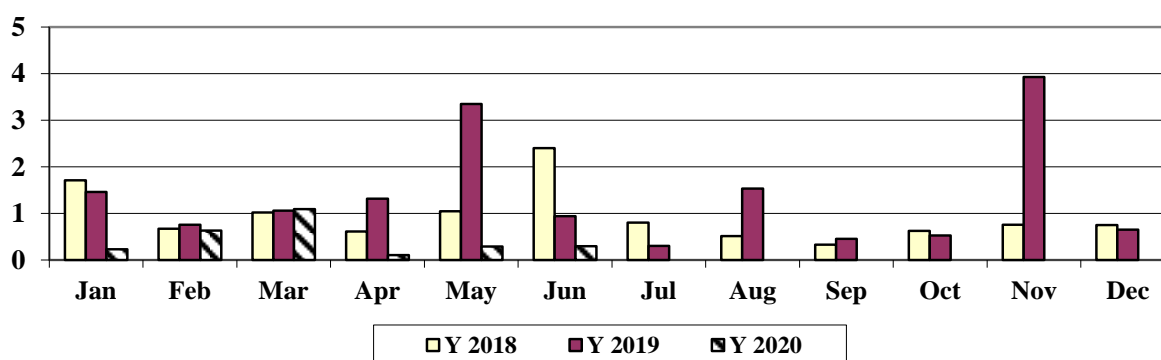


Source: Preliminary statistical data of the General Department of Viet Nam Customs

1.2.7. The importation of machinery, equipment and spare parts from New Zealand

June, 2020 marked such a great turnover of machinery, equipment and spare parts imported from New Zealand, 298,93 thousand USD, went up by 4,16% over the month earlier but dropped by 68,24% in comparison with the same time period in 2019. As recorded, in the first 6 months of 2020, the import turnover of mechanical engineering products imported from New Zealand reached 2,65 million USD, reduced substantially 69,87% compared to the same time period last year, accounted for 0.09% of the total import turnover from CPTPP markets and 0.02% of the country’s total import turnover.

Figure 8: The turnover of Viet Nam’s machinery, equipment and spare parts imported from New Zealand during 2018-2020 (Unit: million USD)



Source: Preliminary statistical data of the General Department of Viet Nam Customs

2. Exportation:

2.1. General information regarding the exportation to other CPTPP countries:

According to the data given by The General Department of Customs, in June, 2020, the export turnover of Vietnam’s machines, equipment and spare parts reached 1,91 billion USD, increased by 10,6% compared to May and 35,26% compared to June, 2019. In particular, export to other CPTPP’s countries reached 275,18 million USD, accounted for 14,43% of the country’s total import turnover, rose by 9,7% over the previous month and 0,18% compared to the same period last year

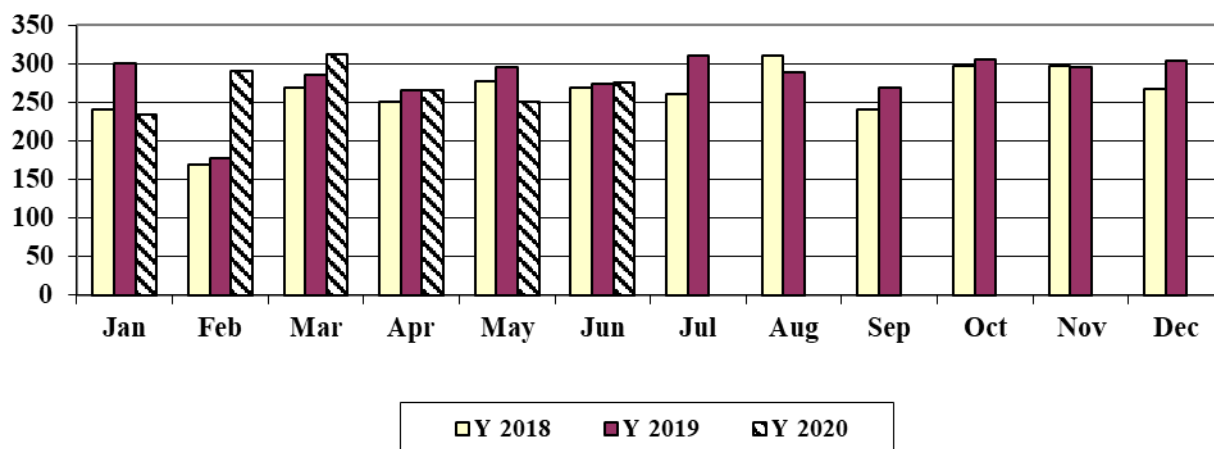
In general, in the first 6 months of 2020, Vietnam’s total export turnover of machines, equipment and spare parts reached 10,42 billion USD, increased by 26,5% over the same period last year. Export turnover to CPTPP’S members gained 1,63 billion USD, accounted for 15,63%, grew 2,73% over the same time in 2019.

Table 4: The turnover of Viet Nam’s mechanical engineering products exported to other CPTPP members in June 2020 and in the first 6 months of 2020

Markets	June 2020 (Million USD)	When compared to May, 2020 (%)	When compared to June, 2019 (%)	The first 6 months of 2020 (USD)	When compared to the first 6 months of 2019 (%)	Percentage of the first 6 months of 2020 when compared to CPTPP (%)	Percentage of the first 6 months of 2020 when compared to the whole country (%)
Total	1.906.731.795	10,60	35,26	10.415.288.016	26,50	*	100,00
<i>CPTPP Sector</i>	<i>275.176.513</i>	<i>9,70</i>	<i>0,18</i>	<i>1.627.703.569</i>	<i>2,73</i>	<i>100,00</i>	<i>15,63</i>
Japan	157.071.786	2,17	-2,03	966.447.612	4,67	59,37	9,28
Singapore	31.930.553	22,25	2,36	181.327.538	-2,44	11,14	1,74
Australia	29.965.347	2,98	51,69	145.248.243	35,79	8,92	1,39
Malaysia	18.981.314	21,24	-18,54	110.799.068	-23,98	6,81	1,06
Mexico	18.472.138	81,17	-10,45	102.505.128	-2,96	6,30	0,98
Canada	14.822.834	22,45	13,09	84.441.168	1,20	5,19	0,81
Chile	2.185.333	13,29	14,93	20.647.117	49,44	1,27	0,20
New Zealand	1.579.939	-18,71	-63,94	15.817.941	-12,58	0,97	0,15
Brunei	167.269	155,38	85,02	469.754	-68,67	0,03	0,005

Source: Preliminary statistical data of the General Department of Viet Nam Customs

Figure 9: The turnover of Viet Nam’s machinery, equipment and spare parts exported to other CPTPP members during 2018-2020 (Unit: million USD)



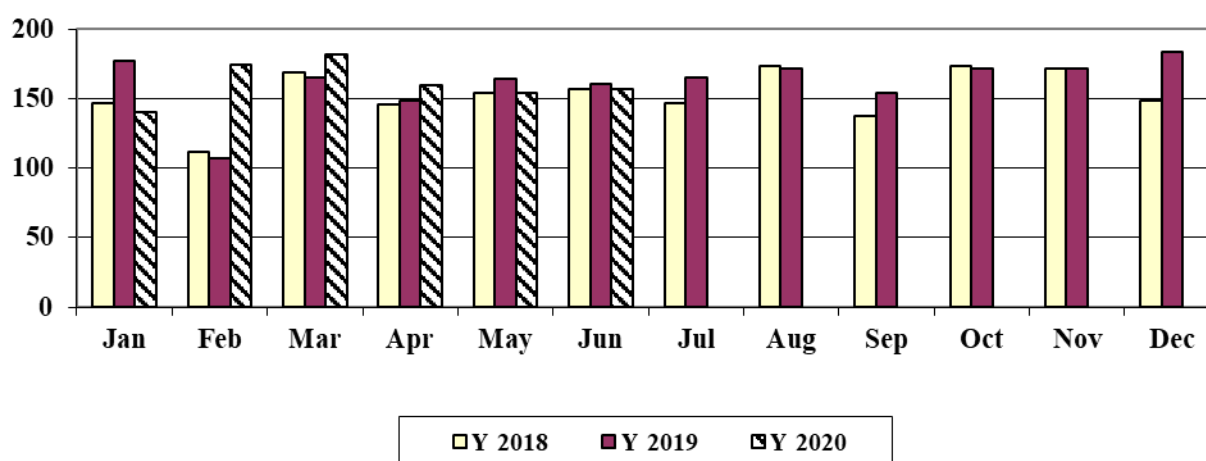
Source: Preliminary statistical data of the General Department of Viet Nam Customs

2.2. In-depth information regarding the exportation to other CPTPP’S members:

2.2.1. The exportation of machinery, equipment and spare parts to Japan

Japan still remains as Viet Nam’s main market of exporting mechanical engineering products in the CPTPP sector. In the month of June, 2020, the turnover of Viet Nam’s mechanical engineering products exported to Japan reached 157,07 million USD, increased by 2,17% over the previous month but fell by 25.1% compared to June, 2019.

Figure 19: The turnover of Viet Nam’s machinery, equipment and spare parts exported to Japan during 2018-2020 (Unit: million USD)



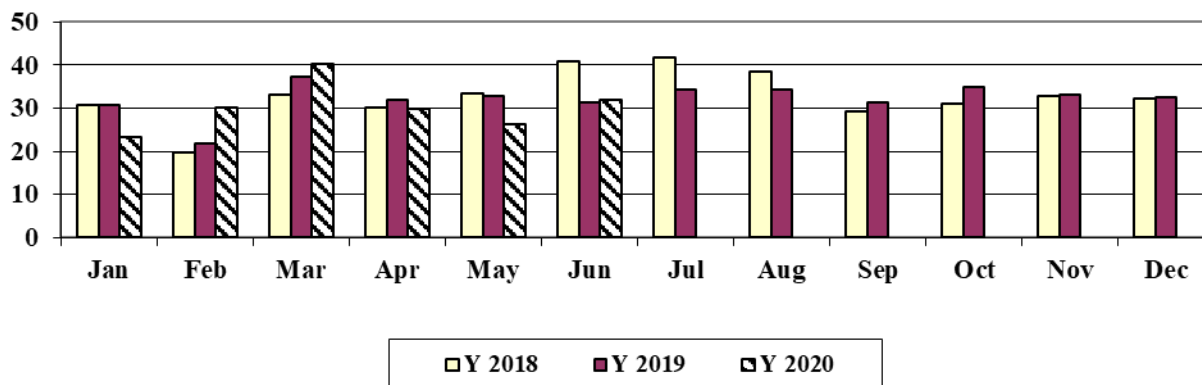
Source: Preliminary statistical data of the General Department of Viet Nam Customs

In general, in the first 6 months of 2020, the total turnover of machines and equipment exported to this market was approximately 966,45 million USD, rose by 4,67% over the same period in 2019, accounted for 59,37% of the total export turnover to CPTPP market and 9,28% of our country’s total export turnover.

2.2.2. The exportation of machinery, equipment and spare parts to Singapore

In June, 2020, the turnover of exporting machinery, equipment and spare parts to Singapore reached 31,93 million USD, climbed by 22,25% compared to May and only 2,36% over the same month of 2019. Totally, in the first 6 months of 2020, the export turnover to this market were over 181,33 million USD, fell by 2,44% compared to June,2019, accounted for 1,74% of country’s total export turnover of this kind of goods.

Figure 11: The turnover of Viet Nam’s machinery, equipment and spare parts exported to Singapore during 2018-2020 (Unit: million USD)

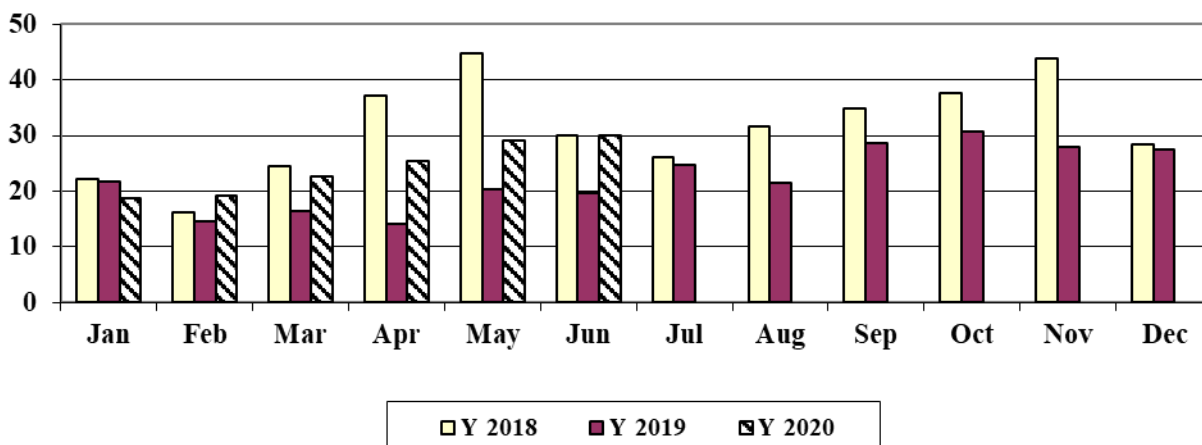


Source: Preliminary statistical data of the General Department of Viet Nam Customs

2.2.3. The exportation of machinery, equipment and spare parts to Australia

The turnover of Viet Nam machinery, equipment and spare parts exported to Australia in the month of June, 2020 was 29.97 million USD, rose by 2,98% over the previous month and significantly by 51,69% when compared to May 2019. Generally, in the first 6 months of 2020, the total turnover of Viet Nam’s machinery, equipment and spare parts exported to Australia reached nearly 145,25 million USD, an increase of 35.79% over the same time period in 2019; accounted for 8,92% of the total export turnover to CPTPP markets and only 1.39% of the country’s total export turnover.

Figure 12: The turnover of Viet Nam’s machinery, equipment and spare parts exported to Australia during 2018-2020 (Unit: million USD)

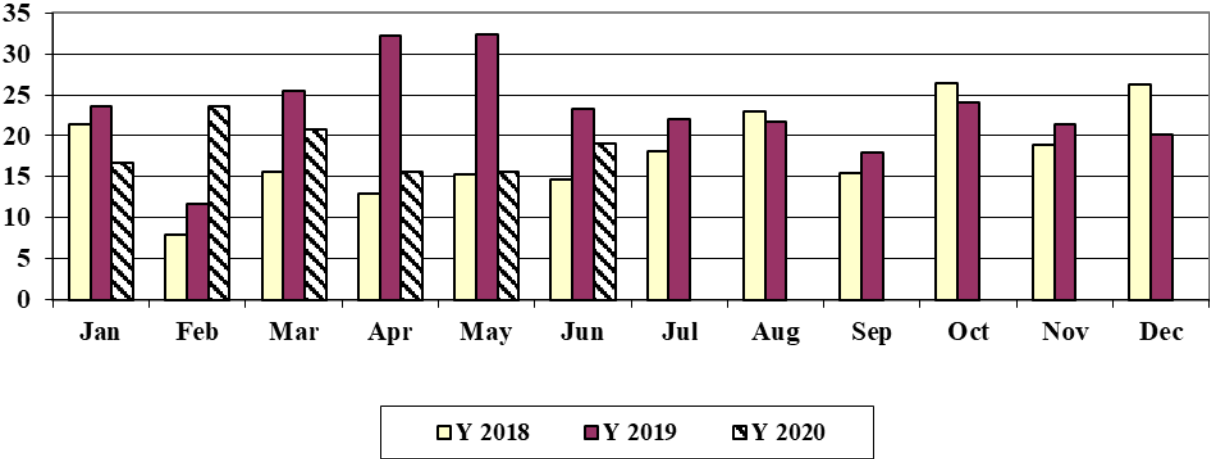


Source: Preliminary statistical data of the General Department of Viet Nam Customs

2.2.4. The exportation of machinery, equipment and spare parts to Malaysia

As recored, the export turnover of Viet Nam machinery, equipment and spare parts to Malaysia in June, 2020 was 18,98 million USD, climbed by 21,24% over the previous month but tumbled by 18,54% comparing to May 2019. In general, in the first 6 months of 2020, the total turnover of machinery, equipment and spare parts exported to Malaysia reached nearly 110,8 million USD, a decrease of 23,98% over the same time period last year; accounted for 6.8% of the total export turnover to CPTPP markets and only 1.06% of the country’s total export turnover.

Figure 13: The turnover of Viet Nam’s machinery, equipment and spare parts exported to Malaysia during 2018-2020 (Unit: million USD)

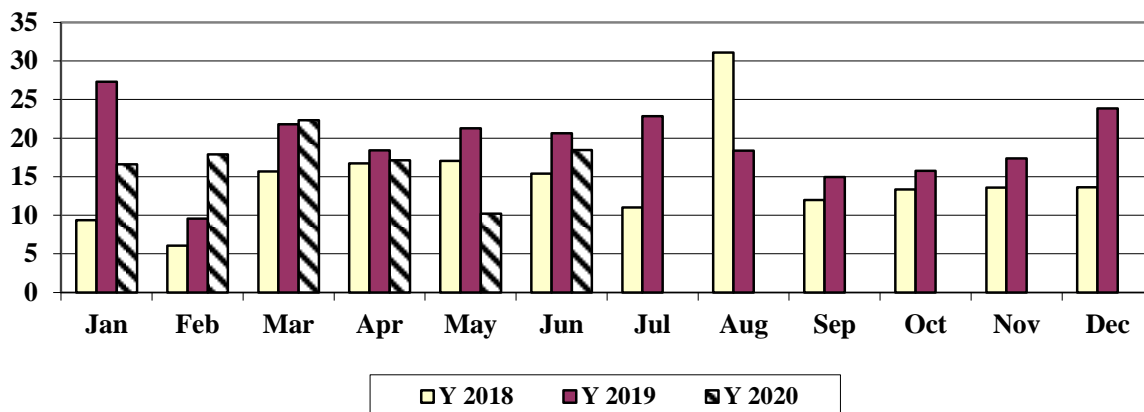


Source: Preliminary statistical data of the General Department of Viet Nam Customs

2.2.5. The exportation of machinery, equipment and spare parts to Mexico

In June 2020, the turnover of Viet Nam machinery, equipment and spare parts exported to Mexico reached 18,47 million USD, grew significantly by 80,17% over the previous month but fell by 10,45% when compared to May 2019. In the first 6 months of 2020, the total turnover of our country’s machinery, equipment and spare parts exported to Mexico got over 102,5 millio, slumped by 2,96% over the same time period of 2019, accounted for 6,3% of our country’s export turnover to CPTPP’s members and 0,98% of Vietnam’s total export turnover.

Figure 14: The turnover of Viet Nam’s machinery, equipment and spare parts exported to Mexico during 2018-2020 (Unit: million USD)

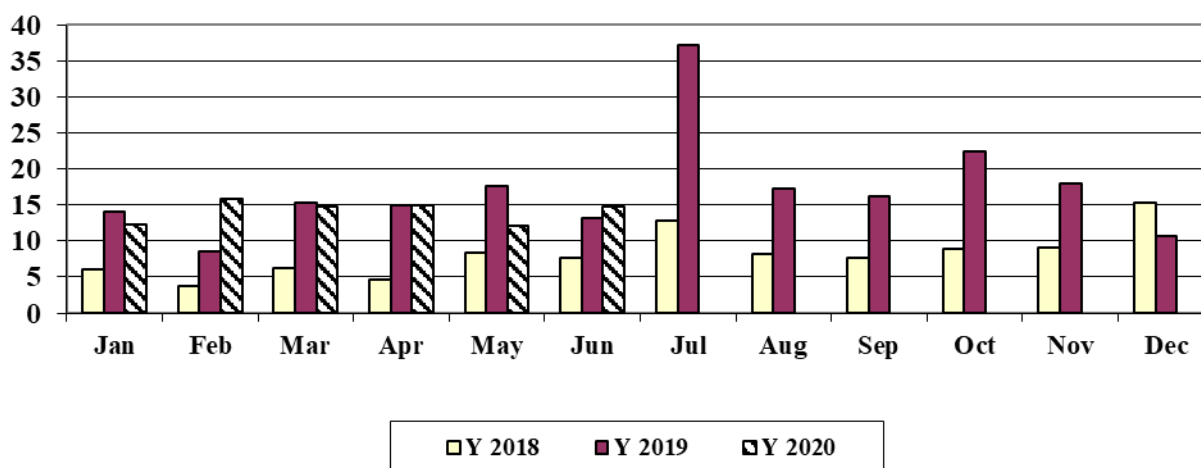


Source: Preliminary statistical data of the General Department of Viet Nam Customs

2.2.6. The exportation of machinery, equipment and spare parts to Canada

Export of machinery, equipment and parts to Canada in June,2020 reached over 14,82 million USD, grew 22,45% when compared to May and 13,09% when compared to June,2019. In general, export of the first 6 months of 2020 to this market hit 84,44 million USD, went up slightly 1,2% over the same period of 2019, accounted for 5,19% of the export turnover of this type of goods to CPTPP’s countries and 0,81% of the total our country export turnover.

Figure 15: The turnover of Viet Nam’s machinery, equipment and spare parts exported to Canada during 2018-2020 (Unit: million USD)

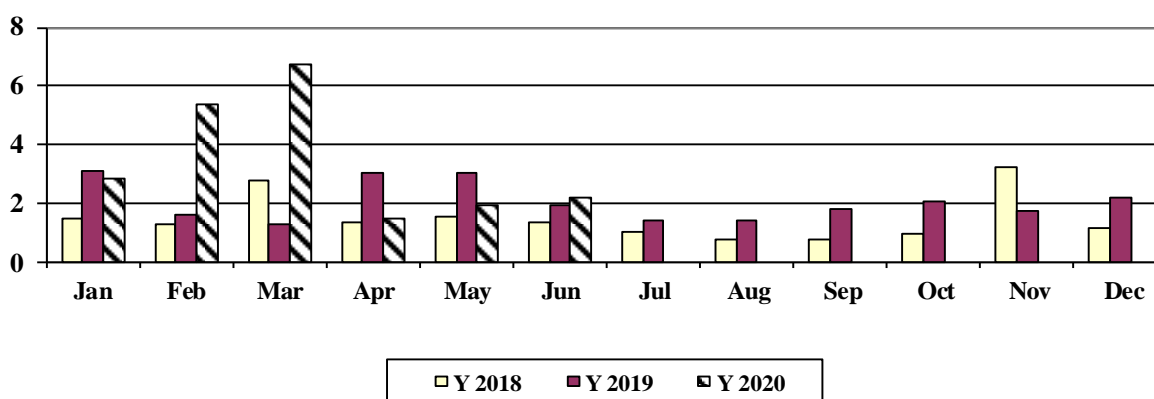


Source: Preliminary statistical data of the General Department of Viet Nam Customs

2.2.7. The exportation of machinery, equipment and spare parts to Chile

The turnover of Viet Nam’s machinery, equipment and spare parts exported to Chile in June, 2020 was recored to be nearly 2,19 million USD, rose by 13,29% in comparison with the previous month and climbed 14,93% over the same month of 2019. In total, in the first 6 months of 2020, Chile was Vietnam’s export market of machinery and equipment with the highest growth rate in the CPTPP sector, increased 49,44% to approximately 20,65 million USD, accounted for 1.27% of the export turnover to CPTPP markets and only 0. 2% of the country’s total export turnover.

Figure 16: The turnover of Viet Nam’s machinery, equipment and spare parts exported to Chile during 2018-2020 (Unit: million USD)

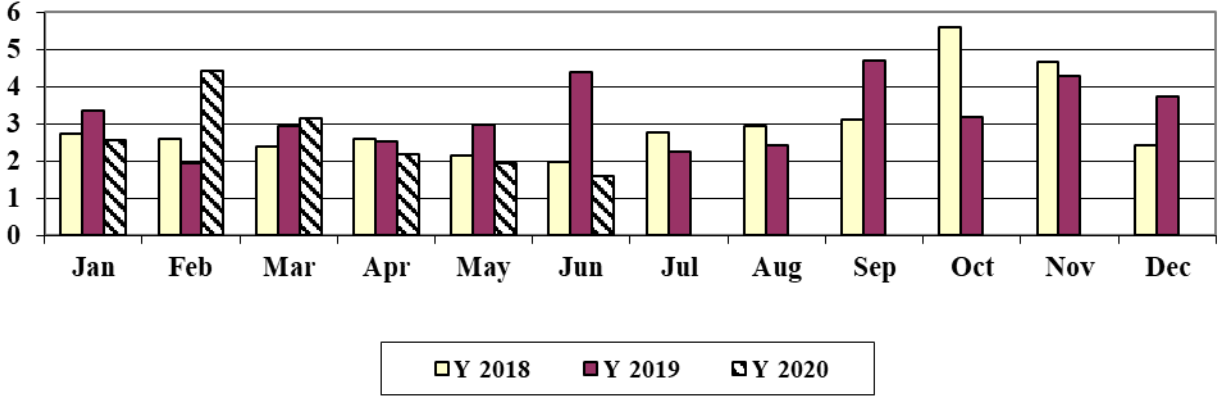


Source: Preliminary statistical data of the General Department of Viet Nam Customs

2.2.8. The exportation of machinery, equipment and spare parts to New Zealand

In June,2020, the turnover of machinery and equipment exported to New Zealand got 1.58 million USD, went down in the third successive month and fell by 63,94% compared to June 2019. The total turnover of Viet Nam’s machinery, equipment and spare parts exported to New Zealand for the first 6 months of 2020 reached almost 15,82 million USD, fell by 12,58% over a year; constituted 0,97% of the total export turnover to countries within CPTPP and only 0.15% of the country’s total export turnover.

Figure: The turnover of Viet Nam’s machinery, equipment and spare parts exported to New Zealand during 2018-2020 (Unit: million USD)



Source: Preliminary statistical data of the General Department of Viet Nam Customs

In addition, the turnover of Viet Nam machinery, equipment and spare parts exported to Brunei in the first 6 months of 2020 dropped the sharpest compared to the same time period in 2019, which was a 68,67% decrease. As recorded, it only got 469,75 thousand USD; accounted for just 0.03% of the total export turnover to CPTPP markets and only 0.005% of the country’s total export turnover.

III. Policies regarding the co-operation in production, investment, technology and trading of Vietnam’s mechanical engineering industry.

Import tariffs exemption for domestically unavailable components.

The Government issued Decree No. 57/2020 / ND-CP on May 25, 2020 amending Decree No. 122/2016 / ND-CP and Decree No. 125/2017/ND-CP amending Decree N122/2016/ND-CP on Export tariffs, Preferential import tariffs.

Whereby, from July 10,2020, Preferential Exort and Import Tariff will be applied to lists of taxable goods of absolute tariff rates, mixed tariffs, and non-quota import tariff rates.

In particular, Decree No. 57/2020 / ND-CP supplements provisions on preferential import tariff rates for raw materials, supplies and components for production, processing (assembly) of supporting industrial products in order to prioritize the development of the automobile manufacturing and assembly industry in the period of 2020-2024 (The automotive tax subsidy program).

According to the Decree, enterprises producing, processing (assembling) automobiles and spare parts and their components can enjoy the preferential Import tariff

if they meet the conditions about: Investment Certificate or Investment Registration Certificate or Certificate of Business Registration; Ownership or the right of using producing, processing (assembling) facilities and all the machines and equipment.

Considering preferential tariff period limits within 6 months, which is valid from January 1 and to June 30 or from July 1 to December 31 annually. Business have to submit to the Customs where the businesses have headquarter or producing, processing (assembling) facilities the registration documents for participation in the automotive tax subsidy program right after the date the Decree takes effect or anytime of the year.

.In addition, Decree No. 125/2017/ND-CP and attached appendix abolished the content “ Provisions on preferential Import Tariff rate on a number of products subject to WTO Commission from January 1, 2019”

Decree No. 57/2020/ND-CP takes effect from July 10,2020, while provisions on preferential Import Tariff for imported automobiles’s components under the automotive tax subsidy program for car’s production and assembly in Clause 3, Article 2 is applied from January, 2020.

IV. Appendix:

Appendix 1: List of some prime example companies exporting machinery, equipment and spare parts to CPTPP markets in May 2020

No	Companies’s name
1	Rorze Robotech Co.Ltd
2	Schneider Electric Manufacturing Viet Nam Co. Ltd
3	Tazmo Viet Nam Co.Ltd
4	Brother Industries Sai Gon Co. Ltd
5	Pepperl+Fuchs Viet Nam Co.Ltd
6	Kyocera Viet Nam Co.Ltd
7	Tempearl Industry Viet Nam Co.Ltd
8	Fujikura Fiber Optics Viet Nam Co. Ltd
9	Ddk Viet Nam Co. Ltd
10	Kyokuto Viet Nam Co. Ltd
11	Groz-Beckert Viet Nam Co. Ltd
12	Panasonic Life Solutions Viet Nam Co. Ltd
13	Toyo Denso Viet Nam Co. Ltd
14	Iriso Electronic Viet Nam Co. Ltd

“In depth analysis, information on the capabilities and needs regarding the co-operation on Production, Investment, Technology, Trade between Viet Nam and other members of CPTPP in the engineering industry” June 2020 issue.

No	Companies’s name
15	Zeng Hsing Industrial Co. Ltd
16	Jabil Viet Nam Co. Ltd
17	International Jaguar Ha Noi Co. Ltd
18	Juki Viet Nam Co. Ltd
19	Brother Machine Viet Nam Co. Ltd
20	Fuji Bakelite Viet Nam Co. Ltd
21	Organ Needles (Viet Nam) Co. Ltd
22	Samtec Viet Nam Co. Ltd
23	Molex Viet Nam Co. Ltd
24	Toyo Precision Co. Ltd
25	Valqua Viet Nam Co. Ltd
26	Viet Nam Onamba Co. Ltd
27	Uchihashi Viet Nam Co. Ltd
28	Pvd Well Drilling Services Co. Ltd
29	Pegasus Sewing Machine Manufacturing Viet Nam Co. Ltd
30	Khanh Linh Technology & Equipment Joint Stock Comapny
31	Sohwa Sai Gon Co. Ltd
32	Mitsuba Viet Nam Co. Ltd
33	Sanwa Viet Nam Industry Co. Ltd
34	Matsuo Industries Viet Nam Co. Ltd
35	Saigon Precision Co. Ltd
36	Noa Viet Nam Co. Ltd
37	Nissei Electric Ha Noi Co. Ltd
38	Towa (Viet Nam) Industry Co. Ltd
39	Global Petroleum Well Services Co. Ltd.
40	Quan Phong Metal Industry Co. Ltd
41	Raidon Technology Co. Ltd
42	Yamaha Motor Viet Nam Co. Ltd
43	Viedam Joint Venture Co.Ltd
44	Denyo Viet Nam Co. Ltd
45	Cam Plas Mould (Viet Nam) Co. Ltd
46	Pvd Trading and Petroleum Technical Drilling Service Joint Stock Company
47	Star Elec Co. Ltd
48	Rhythm Precision Viet Nam Co. Ltd
49	Kyoshin (Viet Nam) Co. Ltd
50	Liên Đại Viet Nam Electrical Equipment Co. Ltd

Source: Preliminary statistical data of the General Department of Viet Nam Customs

Appendix 2: List of some prime example companies importing machinery, equipment and spare parts to CPTPP markets in May 2020

No	Companies's name
1	Nguyen Huy Trade and Service Co. Ltd
2	Products Viet Nam Co. Ltd
3	Mico Me Electrical Engineering Joint Stock Company
4	Mitsubishi Electric Viet Nam Co. Ltd
5	Yazaki Eds Viet Nam Co. Ltd
6	Tan Ky Technology & Equipment Co.Ltd
7	Thien Hoa An Co. Ltd
8	Bemac Panels Manufacturing Viet Nam Co.Ltd
9	Thanh Chau Export Import Trade & Service Co.Ltd
10	New Wing Interconnect Technology (Bac Giang) Co.Ltd
11	Satatec Technology Co.Ltd
12	Quang Nang Trading Technology Joint Stock Company
13	Kraft Vina Paper Co.Ltd
14	Mabuchi Motor Viet Nam Co.Ltd
15	Mec Viet Nam Investment Joint Stock Comany
16	Bao Minh Vina Electrical Equipment Co.Ltd
17	Rorze Robotech Co.Ltd
18	Nghia Phong Han Co.Ltd
19	Chiêu Viet Đại Technology Co.Ltd
20	Xuan Tu Export Import Trading Co.Ltd
21	Tran Len Service Trading Co.Ltd
22	Thaco – Mazda Auto Manufacturing Co.Ltd
23	Viet Energy Solution Co.Ltd
24	Kurabe Industrial Viet Nam Co.Ltd
25	Omron Viet Nam Co. Ltd, Ho Chi Minh Branch
26	First Solar Manufacturing Viet Nam Co.Ltd
27	Hino Motors Viet Nam Joint Venture Co.Ltd
28	Auto Toyota Viet Nam Company
29	Hao Phuong Joint Stock Company.
30	Siemens Co. Ltd
31	Nam Phuong Viet Technology Joint Stock Company
32	Ptsc Marine Mechanical Service Co. Ltd
33	Phu Thai Industry Co.Lt, Dong Nai Branch
34	E.P Co. Ltd
35	HomiTrade Investment Co.Ltd
36	Bmd Logistics and Trade Joint Stock Company

“In depth analysis, information on the capabilities and needs regarding the co-operation on Production, Investment, Technology, Trade between Viet Nam and other members of CPTPP in the engineering industry” June 2020 issue.

No	Companies's name
37	Canon Viet Nam Co. Ltd
38	Rang Đông joint Stock Company
39	Fujikura Fiber Optics Viet Nam Co. Ltd
40	Phu Thai Industry Co. Ltd
41	Iko Thompson Viet Namm Co. Ltd
42	Cao Tht Technical and Service Trading Joint Stock Company
43	Petrovietnam Drilling and Well Services Corporation
44	Auto Isuzu Viet Nam Co. Ltd
45	Cầu Global Electrical Technology Joint Stock Company
46	Mabuchi Motor Đa Nang Co. Ltd
47	Trata Export Import Trading Co. Ltd
48	Hiep My Du Trade Private Enterprise
49	Shindengen Viet Nam Co. Ltd
50	Denso Viet Nam Co. Ltd

Source: Preliminary statistical data of the General Department of Viet Nam Customs