

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

REPORT

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

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I. Production, consumption and Viet Nam’s computers and electronic components manufacturing technology

1. Production and Consumption

* *Production:* The domestic production of Viet Nam in the second quarter of 2020 was heavily affected by the Covid-19 epidemic. Therefore, it only witnessed an increase of 0.74% when compared to last year. The Index of industrial production in the first 6 months of 2020 only rose by 2.71%. However, as the situation of the Covid-19 epidemic was relatively under control, many sectors of the economy are entering a normal operating state, industrial production has prospered and gradually regained a high growth momentum since May 2020.

In particular, the domestic production of electronic products, computers and optical products in June, 2020 increased by 29.3% over the previous month and by 21.7% when compared to June, 2019. The Index of industrial production in the first 6 months of 2020 rose 9.8% when compared to the same time period last year, which was higher than the rate of the first 6 months in 2019.

* *Consumption:* The product consumption of processing and manufacturing industry in June, 2020 went up by 8.1% when compared to the previous month and by 3% when compared to the same time period last year. In the first 6 months of 2020, the product consumption of processing and manufacturing industry rose by 4.3% when compared to the same time period in 2019. The inventory performance index calculated on 6/30/2020 climbed 26.7% to the same time period last year.

In May, 2020, the changes in the consumption of Viet Nam's electronic products when compared to April 2020 were as follows: the consumption of camera lens; image signal converter and image quality enhancer; Photocathode lamp reached 18.5 million units, went down by 1.09%; Headset without microphone reached 4.9 million units, rose by 32.03%, Uncategorized circuit protective devices for voltage not exceeding 1000 V reached over 1 million units, increased by 11.54% ...

Table 1: The production of electronic products, computers and optical products

Industries	June, 2020 when compared to the previous month (%)	June, 2020 when compared to June, 2019 (%)	The first 6 months of 2020 when compared to the same time period in 2019 (%)
<i>Manufacturing electronic products, computers and optical products</i>	129,3	121,7	109,8
<i>Manufacturing electronic components</i>	110,9	102,7	103,3
<i>Manufacturing communication equipments</i>	133,2	130,1	112,8
<i>Manufacturing consumer electronic products</i>	133,8	98,2	93,9

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

Table 2: Domestic production of computers and electronic components 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 (%)
Electrical equipments used for telephone lines, telegraph lines and electronic information systems	Million Dong	34.453.536	41,15	91,10	189.292.452	28,06
Camera lense; image signal converter and image quality enhancer; Photocathode lamp	Pcs	20.999.394	11,48	-9,68	118.898.832	-12,81
Speaker with or without speaker box	Pcs	16.566.740	30,18	-23,61	101.398.620	-7,37
Electronic component manufacturing service	Million Dong	7.850.410	29,59	-2,71	45.163.244	-4,07
Headset without microphone	Pcs	5.107.080	5,26	-11,39	28.507.194	-24,20
Television set	Pcs	1.425.237	24,15	36,53	6.981.041	4,16
Uncategorized circuit protective devices for voltage not exceeding 1000 V	Pcs	1.366.252	10,82	31,93	6.923.412	20,28
Tablet under 3 million dong	Pcs	1.221.444	2,63	20,32	5.388.333	-7,53
Uncategorized parts for electronic components	Kgs	954.157	6,18	-0,18	5.372.520	1,69

“In depth analysis and information on the capabilities and needs regarding the co-operation on Production, Investment, Technology and Trade between Viet Nam and other members of the CPTPP in the electronics 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 (%)
Uninterruptible Power Supply used for automatic data processing machines, their auxiliary machines and telecommunication equipments	Pcs	872.109	13,18	0,72	4.948.546	14,47
Electric wires and cables manufacturing service	Million Dong	984.924	13,16	6,40	4.910.856	-11,76
Electronic display (except the type used for automatic data processing machines)	Pcs	725.574	51,74	-30,64	4.578.353	-15,91
Intergrated circuits	1000 Pcs	804.232	-3,23	18,22	4.456.134	12,42
Tablet from 3 to under 6 million dong	Pcs	532.517	16,12	179,66	2.004.297	4,00
Office offset printers	Pcs	104.188	25,74	-27,38	647.072	-20,52
Tablet from 6 to under 10 million dong	Pcs	105.398	6,40	-41,41	602.397	-26,67
Batteries	1000 Pcs	33.751	21,58	16,80	173.055	-12,80
Single strand insulated copper electric wire	Tons	28.240	9,16	13,36	154.714	6,61
Electric cables for voltages ≤ 1000V	Tons	14.205	2,66	11,11	79.954	4,51
Other copper electric cables and wires	Tons	11.490	4,47	-8,63	62.901	-7,69
Printer parts using components such as dies, rollers, and other printing parts, except Office offset printers	Tons	710	-14,98	-45,40	5.845	-23,35
Parts for computers, cash registers, postage-free stamp machines, ticket machines and other similar machines with calculating capabilities (except vending machines, ATMs ...)	Tons	155	4,38	7,27	730	-10,08
Lead – Acid batteries used for Reciprocating Engine Ignition Systems	1000 Kwh	46	5,11	22,42	176	-2,46

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

Table 3: Domestic consumption of computers and electronic components 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 (%)
Electrical equipments used for telephone lines, telegraph lines and electronic information systems	Million Dong	25.730.082	-6,96	-5,91	165.665.494	21,04
Camera lense; image signal converter and image quality enhancer; Photocathode lamp	Pcs	18.555.933	-1,09	-8,53	96.242.624	-12,80
Speaker with or without speaker box	Pcs	13.372.330	8,40	-43,94	84.091.045	-9,80
Electronic component manufacturing service	Million Dong	6.048.768	34,02	-24,18	36.613.847	-5,08
Headset without microphone	Pcs	4.907.820	32,03	-19,30	22.119.916	-30,76
Television set	Pcs	1.103.702	4,24	5,34	5.567.801	-2,31
Uncategorized circuit protective devices for voltage not exceeding 1000 V	Pcs	1.192.864	11,54	32,15	5.467.430	14,60
Uncategorized parts for electronic components	Kgs	896.313	7,15	-2,09	4.408.259	1,28
Electric wires and cables manufacturing service	Million Dong	870.283	6,01	-22,82	3.925.832	-15,36
Uninterruptible Power Supply used for automatic data processing machines, their auxiliary machines and telecommunication equipments	Pcs	697.601	-20,50	-19,10	3.898.515	13,03
Electronic display (except the type used for automatic data processing machines)	Pcs	492.128	32,93	-47,88	3.748.573	-14,70
Tablet under 3 million dong	Pcs	1.253.578	40,13	29,57	3.448.188	-29,89
Intergrated circuits	1000 Pcs	487.019	-1,36	-26,15	2.303.701	-2,78
Tablet from 3 to under 6 million dong	Pcs	506.457	40,15	22,34	1.237.602	-29,90
Office offset printers	Pcs	94.369	-36,74	-41,86	537.706	-20,06
Tablet from 6 to under 10 million dong	Pcs	117.725	-5,49	-60,70	431.788	-34,38
Batteries	1000 Pcs	28.506	36,29	-19,98	136.751	-20,77
Single strand insulated copper electric wire	Tons	23.371	8,75	8,01	115.888	5,71
Electric cables for voltages ≤ 1000V	Tons	13.574	4,92	-7,40	66.790	3,90
Other copper electric cables and wires	Tons	10.924	22,04	-9,39	51.013	-7,64
Printer parts using components such as dies, rollers, and other printing parts, except Office offset printers	Tons	631	-31,38	-58,93	4.929	-21,30

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 (%)
Parts for computers, cash registers, postage-free stamp machines, ticket machines and other similar machines with calculating capabilities (except vending machines, ATMs ...)	Tons	98	5,97	-30,14	507	-17,76
Lead – Acid batteries used for Reciprocating Engine Ignition Systems	1000 Kwh	35	64,66	-15,86	118	-16,59

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

2. Electronics manufacturing technology

*** Scientists Create Prototype Device That Generates Electricity From Shadows**

When it comes to renewable energy, people often think of solar energy. However, Singaporean scientists have successfully researched and invented a device which generates electricity from shadows.

The Shadow-Effect Energy Generator (SEG) uses the contrast between darkness and light to produce electricity. It's made up of a series of thin strips of gold film on a silicon wafer, placed on top of a flexible plastic base. The technology - which is cheaper to produce than a typical solar cell, according to its developers - produces small amounts of power and could be used in mobile gadgets.

In conventional photovoltaic or optoelectronic applications, a steady source of light is used to power devices. In this work, the scientists from National University of Singapore (NUS) capitalised on the illumination contrast caused by shadows as an indirect source of power. The contrast in illumination induces a voltage difference between the shadow and illuminated sections, resulting in an electric current. With passing shadows – caused by clouds or waving tree branches perhaps, or simply the movement of the Sun – the device is able to generate enough power (1.2 V) to run a digital watch.

The SEG also doubles up as a sensor: it can log shadows passing over it to record the movement of objects passing by. That could have various applications in connected smart home devices, for example, and could even be used to create self-powered sensors.

There's plenty of work still to do, though – the researchers now want to try and bring down the cost of their SEG, perhaps by replacing the gold film with a different and cheaper material.

3. Co-operation, Investment and Technology transfer opportunities with other members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership

**** Viet Nam has a competitive advantage in exporting traditional goods to CPTPP countries***

In 2019, the first year which the CPTPP came into effect, Viet Nam's export turnover between Viet Nam and six other members of the CPTPP reached 34.4 billion USD, witnessed an increase of 8.3%; while the import turnover reached 30.1 billion USD, an increase of 1%.

The calculation results of Viet Nam's economic indicators show that Viet Nam has a competitive advantage in exporting traditional goods such as footwear, rattan products, coffee, clothing, garments ... Viet Nam's export structure is quite similar to other partners such as ASEAN, China, the RCEP, and the CPTPP. The level of similarity in exportation has a tendency to increase in the period from 2008 to the present.

In addition, the confidence of investors in Viet Nam is increasingly strengthened in the context of stable macroeconomic. Especially, the CPTPP Agreement plays an important role in promoting the reform of Viet Nam's investment and business environment, policy makers and the investor community are also more willing to take their chances with the opportunities from the CPTPP.

The CPTPP and the EVFTA are considered as two of the most important agreements, opening the doors for Vietnamese goods to enter the high-end market. In particular, the CPTPP is regarded as a new generation FTA with very high levels of commitment. Many Vietnamese products have many advantages, which can be effectively exported to these areas such as textiles, footwear, phones, etc.

The CPTPP helps Viet Nam to gain more preferential tariffs in some large markets such as Canada, Mexico ... Vietnamese enterprises are recommended to pay special attention to this because these are future markets with great export potential. However, it should be noted that only when Vietnamese goods have a certificate of origin of Viet Nam and reach a certain localization rate can they receive those

preferential tariffs. Therefore, besides the efforts of localization enterprises, it is necessary to prevent foreign goods from impersonating Vietnamese goods in order to be exported to CPTPP countries.

Furthermore, when the CPTPP came into effect, the tariff barriers were removed but more technical barriers were also raised, making us no longer able to take advantage of cheap labor and instead must compete using quality. This forces us to more seriously implement the Government's policy of restructuring the economy and reforming economic institutions to bring more benefits to manufacturers. Businesses also need to be more proactive in finding different sources for raw materials. This is difficult, but when it is done, businesses will have the opportunity to further expand their market, not only within CPTPP countries.

**** The trade partnership between Viet Nam and Mexico***

When the CPTPP came into effect, Viet Nam's export of goods to the CPTPP sector witnessed a tremendous growth. In particular, some markets where Viet Nam has not signed bilateral free trade agreements (FTA) with, such as Canada and Mexico have recorded strong growth right after implementing the CPTPP.

Recently, Viet Nam has co-sponsored the “International cooperation to ensure global access to medicines, vaccines and medical equipment to face COVID-19” resolution presented by Mexico to the United Nations General Assembly. The two countries are working on building an important coalition in order to resolve issues of common concern, such as combating climate change, reducing poverty, education, and developing science and technology.

So far, Mexico is the third largest trading partner of Viet Nam in Latin America and vice versa, Viet Nam is Mexico’s eighth largest import and export market in the Asia-Pacific region. In the past 10 years, the two-way trade has reached a growth rate of 10- 15% / year. The total trade turnover in 2019 between the two countries has reached over 6 billion USD. Especially, in the first quarter of 2020, Viet Nam's export turnover to Mexico reached 797.9 million USD, bringing the total two-way turnover to 925.7 million USD.

The implementation of CPTPP by the two countries will further promote bilateral trade and investment relations, commensurate with the potential of the two countries' markets, which accounts for more than 220 million consumers, about 45%

of the total population and 15% of gross domestic product (GDP) of this new free trade sector. The main products that Viet Nam exports to Mexico are mobile phones, electronic devices, sports shoes, textiles, agricultural and aquaculture products, etc. Notably, rice and agricultural products are currently the items with great potential. Under the CPTPP agreement, white rice imported to Mexico is entitled to 0% tariff in the 11th year after the Agreement comes into effect, with the scheduled reduction rate in the first 10 years of 2% per year. This will be an opportunity for Vietnamese rice exporters to increase their export volume to Mexico in the near future.

Besides, the implementation of CPTPP is an opportunity for the two countries to exploit all of their strengths and go into depth in the context of comprehensive and multilateral integration. Because of the fact that Mexico is a bridge between North America, Latin America and the Caribbean, this helps Viet Nameese businesses significantly reduce logistics costs, transport and storage costs for products exported to this region. In addition, the close relationship between Mexico and the US through the USMCA Agreement (US-Mexico-Canada Trade Agreement (USMCA) is the new version of the North American Free Trade Agreement (NAFTA) which was adopted in December 2019 is also an advantage for goods from Asian countries in general and Viet Nam in particular to access these potential large markets.

II. The importation and exportation of computers and electronic components between Viet Nam and other CPTPP members

1. Exportation

1.1. General information regarding the exportation to other CPTPP members

According to the data given by the General Department of Viet Nam Customs, the export turnover of computers and electronic components in the month of June, 2020 reached 3.94 billion USD, increased by 16.2% over the previous month and by 32.85% when compared to June, 2019. In the first 6 months of 2020, the total export turnover of computers and electronic components reached 19.47 billion USD, rose by 25.4% when compared to the same time period last year, accounted for over 15.86% of the country’s total export turnover.

Domestic enterprises are actively exporting electronic components to traditional markets, such as China, the United States, Japan and expanding market share, boosting the export of computers and electronic components to other markets and other regions like some of the members of the CPTPP.

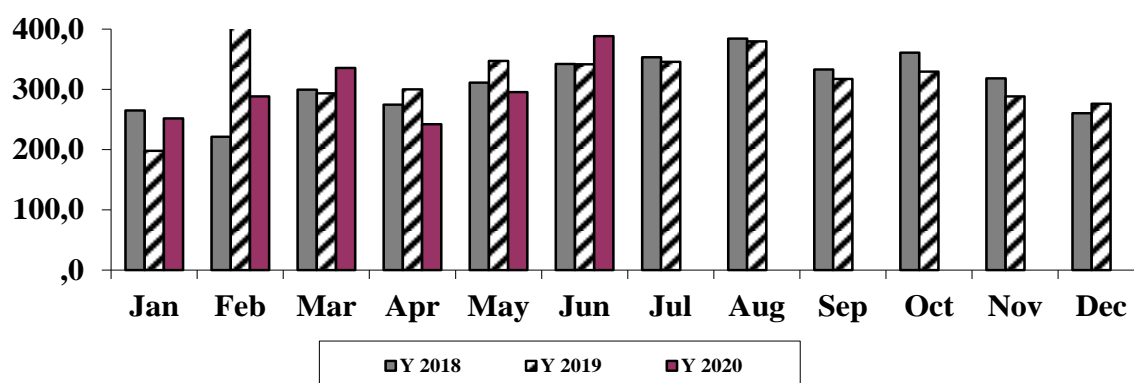
In particular, the export turnover of these products from CPTPP markets in June, 2020 reached 388.8 million USD, accounted for 9.9% of the country’s total export turnover, rose by 31.5% over the previous month and by 14.0% when compared to last year. In the first 6 months of 2020, the total export turnover of these products reached 1.8 billion USD, climbed by 0.5% when compared to the same time period last year.

Table 4: The turnover of Viet Nam’s electronic 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	3.946.946.816	16,2	32,9	19.471.268.308	25,4		100,0
CPTPP Sector	388.854.253	31,5	14,0	1.802.165.987	0,5	100,0	9,3
Mexico	157.358.774	89,0	62,7	505.239.315	18,9	28,0	2,6
Japan	78.453.924	11,3	-12,3	506.130.464	4,7	28,1	2,6
Australia	37.784.639	0,7	33,1	195.023.948	-4,6	10,8	1,0
Malaysia	37.052.729	55,5	-23,2	191.682.497	-14,6	10,6	1,0
Singapore	33.969.069	19,3	-25,4	191.481.370	-32,3	10,6	1,0
Canada	30.512.212	-31,0	48,1	135.042.816	28,7	7,5	0,7
Chile	8.502.252	97,2	12,7	54.239.161	30,7	3,0	0,3
New Zealand	5.220.654	46,2	12,7	23.326.416	-13,7	1,3	0,1

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

Figure 1: The turnover of Viet Nam’s electronic products exported to other CPTPP members during 2018-2020 (Unit: million USD)



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

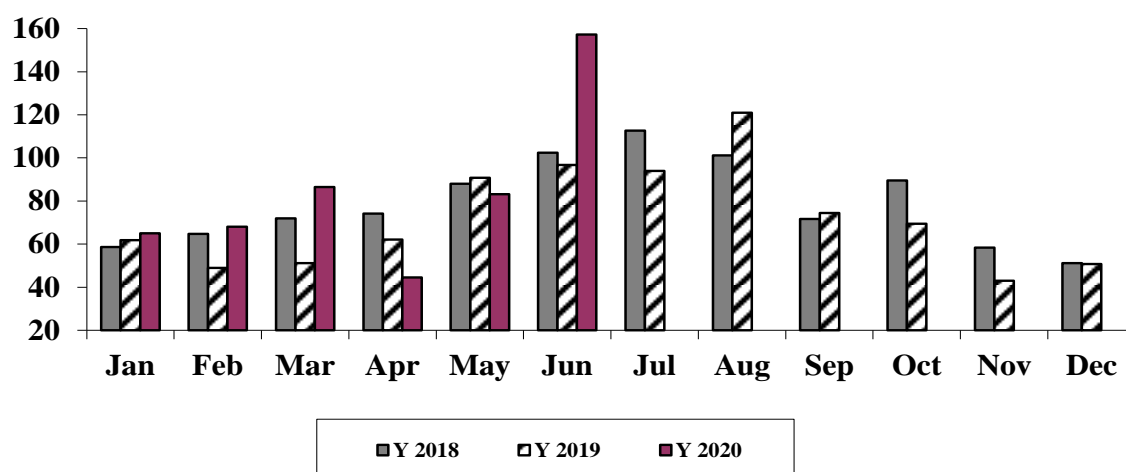
1.2. In-depth information regarding the exportation to other CPTPP members

1.2.1. The exportation of computers and electronic components to Mexico

Mexico is Viet Nam's second largest export market in Latin America after Brazil. The main export products of Viet Nam to Mexico are phones, shoes, computers, textiles ... With the CPTPP, Mexico promises to eliminate 77% of tariff lines right after the Agreement comes into effect, equivalent to 36,5% of import turnover of Viet Nam and will eliminate tariffs on 98% of tariff lines in the 10th year after the Agreement comes into effect.

According to statistics given by the General Department of Viet Nam Customs, in the month of June, 2020, the turnover of Viet Nam computers and electronic components exported to Mexico reached 157.3 million USD, accounted for 4.0% of the country’s total turnover and 40.5% of the CPTPP sector, significantly rised by 89 % and 62.7% when compared to May, 2020 and June, 2019, respectively. In the first 6 months of 2020, the total turnover of Viet Nam’s electronic products exported to Mexico reached 505.2 million USD, an increase of 18.9% when compared to the same time period last year.

Figure 2: The turnover of Viet Nam’s computers and electronic components exported to Mexico during 2018-2020 (Unit: million USD)



Source: Preliminary statistical data of the General Department of Viet Nam Customs
 1.2.2 . The exportation of computers and electronic components to Japan

Over the past few years, Japan has always been Viet Nam's leading economic and trade partner, especially the trade and cooperation relationship between the two

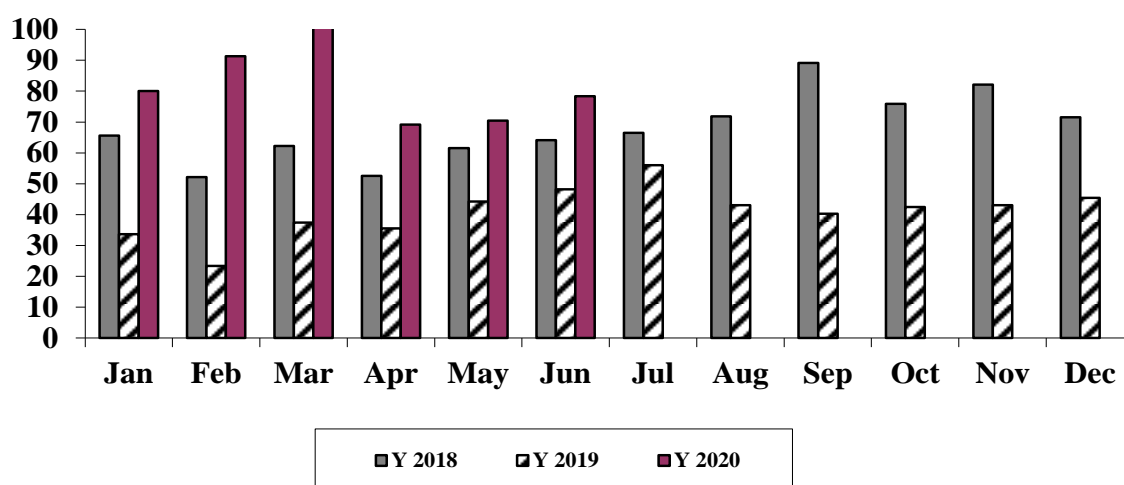
countries with outstanding and comprehensive developments in many fields. Currently, Japan is the third largest export market (after the US and China) and the third largest import market (after China and South Korea) of Viet Nam.

The CPTPP is opening up huge opportunities for businesses in the export sector, especially with the Japanese market, one of the leading trading partners of Viet Nam.

In order to boost exports to Japan, businesses and industries need to research, investigate specific needs of the market and build an appropriate marketing strategy. Product’s designs, colors, and packagings must suit consumers' tastes. At the same time, they have to actively participate in seminars, trade promotion programs in order to introduce goods as well as the strengths of their businesses, find new customers, expanding business markets ...

In June, 2020, the turnover of Viet Nam’s computers and electronic components exported to Japan reached 78.4 million USD, increased by 11.3% over the previous month but decreased by 12.3% when compared to June, 2019, accounted for 20.1% of the total export turnover from CPTPP markets and 2.0% of the country’s total export turnover. In the first 6 months of 2020, the total turnover of Viet Nam’s electronic products exported to Japan reached 506.1 million USD, an increase of 4.7% when compared to the same time period last year.

Figure 3: The turnover of Viet Nam’s computers and electronic components exported to Japan during 2018-2020 (Unit: million USD)

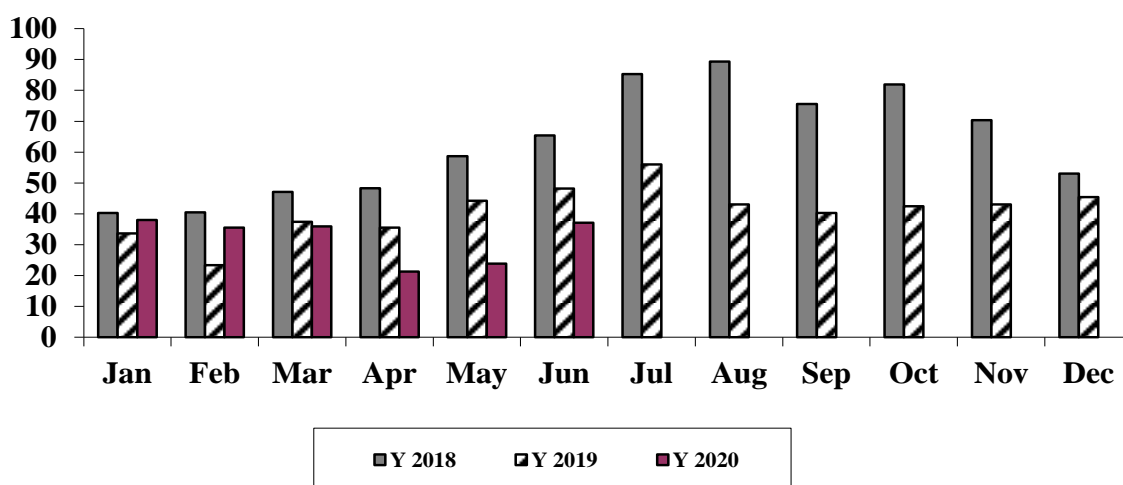


Source: Preliminary statistical data of the General Department of Viet Nam Customs

1.2.3. The exportation of computers and electronic components to Malaysia

Electronic products of Malaysia are mainly for export purpose (accounting for over 50% of the country's export turnover), of which specialized electronic products account for nearly 50%, electronic components 40%, and consumer electronic products only accounts for 10%. The largest export markets of Malaysian industry are the United States (27%), Singapore (19%), the EU (7%), the rest are Japan and other ASEAN countries.

Figure 4: The turnover of Viet Nam’s computers and electronic components exported to Malaysia during 2018-2020 (Unit: million USD)



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

Companies manufacturing electronic products and components in Malaysia are mostly Japanese-owned. These companies form manufacturing clusters of components or electronic devices that are often interdependent and benefit from concentration and specialization. This is also a characteristic of Malaysia's electronics industry, unlike Thai electronics companies that are less dependent on each other. Malaysia's electronics industry has grown strongly and achieved much success thanks to the connection and cooperation between Japanese component manufacturers and product assemblers. Due to this characteristic, FDI companies have very little contact and cooperation with local companies, so the technology transfer between FDI enterprises and local enterprises is very limited.

The turnover of Viet Nam computers and electronic components exported to Malaysia in June, 2020 accounted for 0.9% of the country's total turnover and 9.5% of

the CPTPP sector, reached 37 million USD, went up by 55.5% when compared to the previous month but went down by 23.2% when compared to June, 2019. In the first 6 months of 2020, the total turnover of Viet Nam’s electronic products exported to Malaysia reached 191.6 million USD, a decrease of 14.6% when compared to the same time period last year.

2. Importation

2.1. General information regarding the importation from other CPTPP members

Viet Nam is currently heavily dependent on imported electronic components. The exchange rate and raw material price fluctuation will directly affect the input costs for production and business activities of businesses. Currently, the supporting industry depends up to 80% on imported raw materials, spare parts and components. The main materials to produce electronic components include iron, aluminum, copper, silver, gold and palladium.

According to the data given by the General Department of Viet Nam Customs, in June, 2020, the import turnover of computers and electronic components reached over 5.1 billion USD, increased by 17.5% over the previous month and by 34.4% when compared to June, 2019. In the first 6 months of 2020, the total import turnover of computers and electronic components reached 27.1 billion USD, rose by 13.8% when compared to the same time period last year.

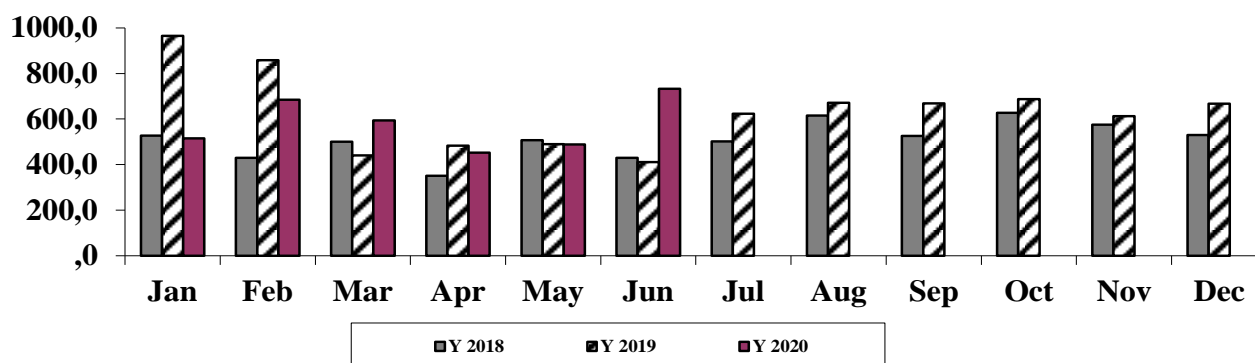
In particular, the import turnover of these products from CPTPP markets in the month of June, 2020 reached 733.2 million USD, only accounted for 12.9% of the country’s total import turnover, rose by 50% over the previous month and by 79% when compared to last year. In the first 6 months of 2020, the total import turnover of these products from CPTPP markets reached 3.51 billion USD, went up by 28.7% when compared to the same time period in 2019. Japan still remained as the largest source of import turnover, accounted for 68.4%; followed by Malaysia, Singapore,... the import turnover from these markets all exceeded 60 million USD.

Table 5: The turnover of Viet Nam’s electronic products imported from 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	5.137.346.441	17,5	34,4	27.163.354.477	13,8	*	100,0
<i>CPTPP Sector</i>	733.278.687	50,0	79,0	3.516.881.842	28,7	100,0	12,9
Japan	514.107.937	72,7	90,9	2.407.003.524	36,8	68,4	8,9
Malaysia	137.149.154	15,1	33,5	699.882.129	-1,2	19,9	2,6
Singapore	61.485.672	18,5	156,8	293.932.550	75,2	8,4	1,1
Mexico	20.535.924	2,7	50,7	116.063.639	20,3	3,3	0,4

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

Figure 5: The turnover of Viet Nam’s electronic products imported from other CPTPP members during 2018-2020 (Unit: million USD)



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

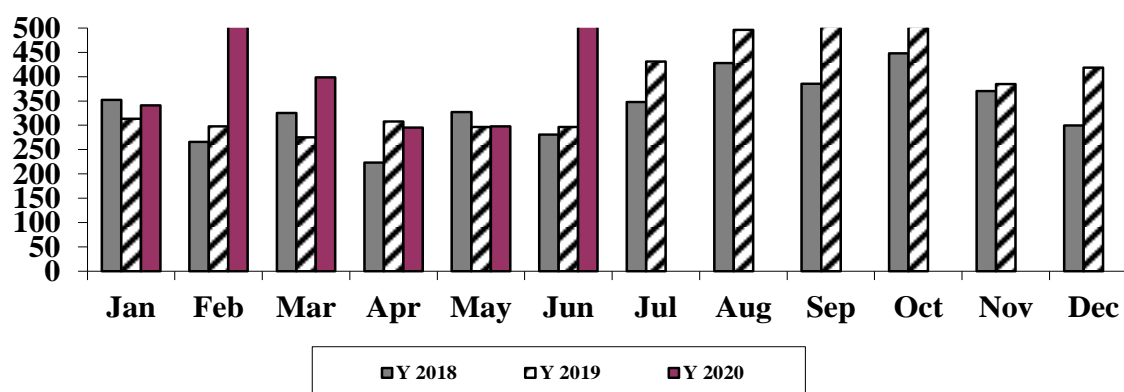
2.2 In-depth information regarding the importation from other CPTPP members

2.2.1. The importation of computers and electronic components from Japan

In the month of June, 2020, the turnover of Viet Nam’s computers and electronic components imported from Japan reached 514.1 million USD, accounted for 70.1% of the total import turnover from CPTPP markets and 10% of the country’s total import turnover, increased by 72.7% over the previous month and by 90.9% when compared to June, 2019. In the first 6 months of 2020, the total turnover of Viet

Nam’s electronic products imported from Japan reached 2.4 billion USD, an increase of 36.8% when compared to the same time period last year.

Figure 6: The turnover of Viet Nam’s electronic products imported from Japan during 2018-2020 (Unit: million USD)

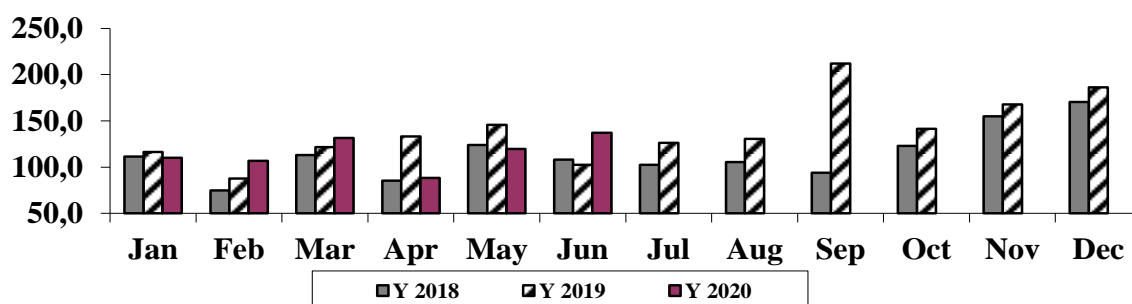


Source: Preliminary statistical data of the General Department of Viet Nam Customs

2.2.2. The importation of computers and electronic components from Malaysia

In the month of June, 2020, the turnover of Viet Nam’s computers and electronic components imported from Malaysia reached 137.1 million USD, accounted for 28.7% of the total import turnover from CPTPP markets and 2.7% of the country’s total import turnover, rose by 15.1% over the previous month and by 33.5% when compared to June, 2019. In the first 6 months of 2020, the total turnover of Viet Nam’s electronic products imported from Malaysia reached 699.8 million USD, fell by 1.2% when compared to the same time period in 2019.

Figure 7: The turnover of Viet Nam’s electronic products imported from Malaysia during 2018-2020 (Unit: million USD)

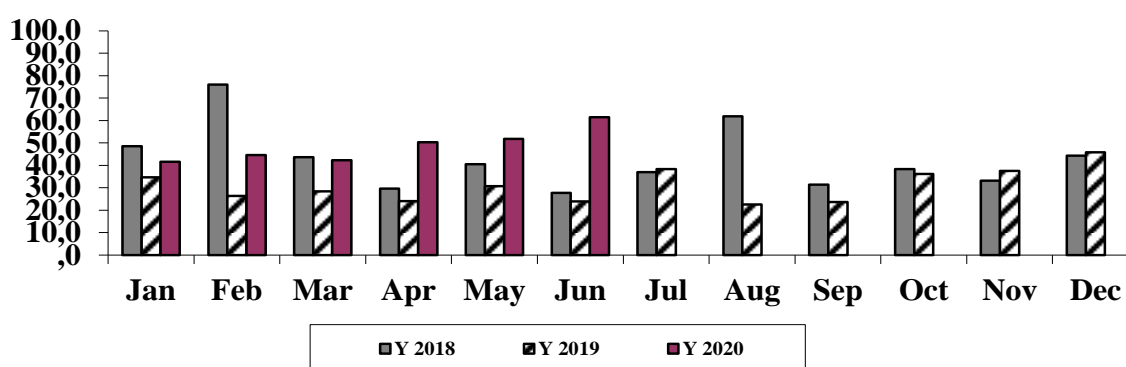


Source: Preliminary statistical data of the General Department of Viet Nam Customs

2.2.3. The importation of computers and electronic components from Singapore

According to the data given by the General Department of Viet Nam Customs, the turnover of computers and electronic components imported from Singapore in the month of June, 2020 reached 61.4 million USD, accounted for 8.4% of the total import turnover from CPTPP markets and 1.2% of the country’s total import turnover, increased by 18.5% over the previous month but sky-rocketed by 156.8% when compared to June, 2019. In the first 6 months of 2020, the total turnover of Viet Nam’s electronic products imported from Singapore reached 293.9 million USD, rose by 75.2% when compared to the same time period in 2019.

Figure 8: The turnover of Viet Nam’s electronic products imported from Singapore during 2018-2020 (Unit: million USD)



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

III. Policies regarding the co-operation on production, investment, technology and trade of Viet Nam’s electronics industry with the members of the CPTPP

** Resolving the issues surrounding the conditions for implementing preferential export tariff rates*

Recently, the General Department of Customs has issued Official Dispatch 1570/TCHQ-TXNK regarding the issues surrounding the implementation of Decree 57/2019/NĐ-CP.

Pursuant to Clause 4, Article 4 of Decree 57/2019 / ND-CP dated June 26, 2019, stipulating conditions for the implementation of preferential tariff rates under the CPTPP Agreement include: (i) goods from Viet Nam are imported into the territory of the countries specified in the CPTPP Agreement, (ii) having transport documents showing the destination port of the CPTPP members' territory, (iii) having an customs

declaration form for the goods lot exported from Viet Nam to CPTPP members' territory. Specific issues will be resolved as follows:

- Regarding information on Japanese customs declaration form:

+ Regarding the Japanese customs declaration that does not show the number of commercial invoices: Regulations on the format and information indexes on Viet Nam's declarations do not apply to Japanese customs declarations. Therefore, some information such as invoice numbers not shown on Japanese declarations is not a basis for refusing the validity of customs declarations provided by customs declarants.

+ Regarding the number of commercial invoices on Japanese custom declarations being different from those of commercial invoices on Viet Nam's customs declarations: According to commercial practices, in case of trading between Vietnamese exporters and Japanese importers through intermediaries may generate many commercial invoices issued by the seller. This difference is not a basis for refusing the validity of import declarations that enterprises provide.

- Regarding purchases and sales made through intermediaries:

Pursuant to Article 4 of Decree 57/2019 / ND-CP, goods which are subjected to the preferential CPTPP export tariff rate are goods exported from Viet Nam to CPTPP member countries and the declarants must submit documents proving that the goods have been imported into the territory of CPTPP members.

Therefore, multi-party purchases do not affect the application of preferential export tariff rates; customs declarants who submit supporting documents in accordance with regulations are eligible for preferential tariffs.

- Regarding the differences on the bill of lading

On the basis of the bill of lading submitted by the declarant, the customs authority should look up the e-manifest system (the system of "Receiving goods declarations, other relevant documents and electronic customs clearance") to determine whether the port of destination / port of destination of the cargo is Japanese or not, and also check the documents submitted by the declarant with information on the shipment schedule, the quantity of goods exported from Viet Nam and the quantity imported into Japan to determine whether the consignment exported from Viet Nam can be imported into Japan and applied the preferential export tariff rates specified in the CPTPP Agreement.

In case it is necessary to refer to the Japanese customs declaration form or verify the Japanese customs declaration form submitted by the customs declarant, please report to the General Department of Customs through the Department of Customs Management Supervision.

Official Dispatch 1570/TCHQ-TXNK issued by the General Department of Customs on 13/2/2020.

IV. Appendix

Table 1: List of some prime example companies importing computers and components from CPTPP markets in June 2020

No	Company's name
1	Intel Products Viet Nam Co. Ltd
2	Samsung Electronics Viet Nam Thai Nguyen Co. Ltd
3	Samsung Electronics Hcmc Ce Complex Co. Ltd
4	Vina Solar Technology Co. Ltd
5	Lg Display Viet Nam Hai Phong Co. Ltd
6	Samsung Display Viet Nam Co. Ltd
7	Hanyang Digitech Vina Co. Ltd
8	First Solar Viet Nam Manufacturing Co. Ltd
9	Brother Industries Viet Nam Co. Ltd
10	New Wing Interconnect Technology Co. Ltd (Bac Giang)
11	Canon Viet Nam - Que Vo Factory Co. Ltd
12	Lg Display Viet Nam Hai Phong Co. Ltd
13	Goertek Vina Co. Ltd
14	Samsung Electronics Viet Nam Co. Ltd
15	Funing Precision Component Co. Ltd
16	Mcnex Vina Co. Ltd
17	Sei Electronic Components Co. Ltd (Viet Nam)
18	Kyocera Document Technology Viet Nam Co. Ltd
19	Jabil Viet Nam Co. Ltd
20	Power Logics Vina Co. Ltd

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