

## ASEAN MEMBER COUNTRIES' GROWING PARTICIPATION IN VIETNAM'S INFRASTRUCTURE DEVELOPMENT

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### Introduction:

#### Future Infrastructure Development and Priority for ASEAN Investment

The Vietnamese government recently issued the list of 163 national projects calling for foreign investment in the coming period of 2006-2010. These are important projects that were approved by the government in terms of investment mode. According to this list, the total capital needed for these projects is estimated at over \$61 billion, including **over \$53 billion for industry-construction projects**, over \$7.8 projects for tourism-service and the remaining for projects in the fields of agriculture-forestry-fisheries.

##### *a. High Priority for Infrastructure development*

This ratio of capital accurately reflects the numbers of projects in each area in the list: industry-construction 109 projects, tourism-service 48, agriculture-forestry-fisheries 6. The list proves that **Vietnam is focusing on infrastructure development, with up to 47 projects belonging to the Ministry of Transportation** while the Ministry of Industry and Trade has only six projects. *"Infrastructure is the burning issue at present, and thus requires a huge amount of investment. The pressure on improving infrastructure facilities has become clear and the government hopes that investors will strongly participate in this area."* said Head of the Foreign Investment Agency Phan Huu Thang. The list includes projects that call for huge amount of money, for example the Nghi Son Oil Refinery complex in the central province of Thanh Hoa with \$5 billion, Oil Refinery No. 3 in the southern province of Ba Ria-Vung Tau with \$5-6 billion of capital and the Long Thanh International Airport project in the southern province of Dong Nai with necessary investment of \$5 billion (for the first phase). All of them are in the fields of industry and construction. Other big projects need capital of around \$2 billion, including the Lach Huyen port complex in Hai Phong City, the Van Phong international entreport in Khanh Hoa province, the Southern Petrochemistry complex in Ba Ria-Vung Tau province, and the entertainment zone on Tam Hai Island in Quang Nam province. There are ten projects

with investment of more than \$1 billion, such as belt road No.3 in HCM City with \$1.55 billion of investment. Yen Vien-Ngoc Hoi railway with \$1.618 billion among others.

According to the Ministry of Planning and Investment, from 1988 to September 2007, FDI flow into Vietnam reached over \$72.8 billion, with 8,058 projects licenced.

#### *b. Priority given to ASEAN countries*

*"Vietnam will do its best to create favourable conditions for foreign businesses, particularly those from the Association of Southeast Asian Nations (ASEAN)",* said Deputy Prime Minister cum Foreign Minister Pham Gia Khiem, speaking at the opening ceremony of the ASEAN Capitals Business Forum (ACBF) in Hanoi on October 15. The ACBF, initiated by the capital city of Hanoi, is expected to be organized annually in the capitals of ASEAN member countries in rotation. The forum, the first of its kind, has drawn more than 1,000 businesses, including 200 from ASEAN member countries to discuss and solve important issues such as the financial crisis, businesses' difficulties after joining the ASEAN Free Trade Area (AFTA) and the economic situation in the bloc.

The Deputy PM said that there are great cooperation opportunities for foreign businesses from ASEAN and other countries in the region. The Vietnamese Government is determined to boost national development and expand cooperation with foreign partners, in particular with ASEAN countries, he added. To attract more investment from ASEAN countries and particularly Singapore, beginning August 8, 2007, Prime Minister Nguyen Tan Dung went abroad to visit ASEAN nations, including Singapore. Encouraged by the Prime Minister, Vietnamese authorities are reviewing and classifying ASEAN projects in Vietnam to help investors with their administrative procedural problems, site clearance and other matters.

### **I. THE STRATEGIC ROLE OF SINGAPORE AS LEAD PLAYER**

The Department of Foreign Investment of the Ministry of Planning and Investment said that in the first seven months of 2007, 44 new Singaporean investment projects worth more than US\$1.3 billion were licensed. Another eight Singaporean projects were licensed to increase their capital by a total of US\$13.3 million. This makes investors from Singapore the second biggest group of foreign investors in the country

Between 1988, when Vietnam issued its first law on foreign investment, and now, Singaporean businesses have had 503 investment projects totaling US\$9.6 billion in Vietnam, making Singapore first among ASEAN (the Association of Southeast Asian Nations) countries/territories and second among all foreign countries/territories investing in the country during that period. Singaporean project capital averaged US\$18.7 million, higher than the average of all FDI (foreign direct investment) projects in Vietnam and two to three times that of Korean, Chinese Taipei, Hong Kong and Malaysian projects.

*a. High Investment in Infrastructure Development:*

The statistics also show that Singaporean investment was spread out among most industries in Vietnam, including oil and gas exploration and extraction, industrial production, and agricultural, forest product and seafood processing. Of the 503 Singaporean projects that have existed in Vietnam, 207 (total capital US\$5.5 billion) were in the service sector. This was 60.7 percent of all registered Singaporean investment capital in the country. Another 230 (US\$3.3 billion) were in industry and construction (36.4 percent), and the remaining projects were in the agricultural and forestry sector. Many Singaporean projects have operated at a profit, one of those, the Vietnam-Singapore Industrial Park (VSIP), being in existence now. This project is said to have been a joint idea of former Vietnamese Prime Minister Vo Van Kiet and former Singaporean Prime Minister Goh Chok Tong.

VSIP has completed the infrastructure on 600 hectares of the park. The VSIP authority said that 10 years after it started-up, VSIP had attracted 250 investment projects totaling US\$1.7 billion, 165 of which were producing/trading some products/services, 30 were under construction and equipment installation, and 55 were fulfilling needed procedures to start up construction or production/trading. The 250 projects leased 97 percent of the IP's industrial area. Companies in VSIP have earned revenue of US\$3.25 billion including US\$1.62 billion worth of exports. The authority in charge wants to expand Vietnam-Singapore II Industrial Park and build two more industrial parks - one in Bac Ninh province and the other in Ha Nam province. Prime Minister Nguyen Tan Dung recently allowed the Vietnam-Singapore Joint Venture Company Limited to build a 700ha industrial park, urban area and service complex in Bac Ninh. This complex is to contain an industrial park on 500ha and an urban and service area on 200ha.

*b. More Diversified Investment in Many Sectors:*

The Department of Foreign Investment said that Singaporean investors are now interested in infrastructure development in Vietnam and a large amount of Singaporean capital is going into home, office and hotel construction. When she recently spoke to the media, Chiong Woan Shin, the Trade Consul of the Singaporean Consulate General in Ho Chi Minh City, said that **Singaporean investors are interested in infrastructure development in Vietnam** and that they are experienced in everything from plan making to project management. Singaporean investors have vast experience in building infrastructure and they want to use this experience in Vietnam.

Healthcare in Singapore is excellent and competitively priced and Singaporean investors are considering bringing Singaporean- quality healthcare to Vietnam. Among the Singaporean investors interested is the Parkway Hospitals (Singapore) Group. Parkway Hospitals now has three representative offices in Vietnam and it is time for the group to funnel capital into Vietnam, while it is still looking for a partner.

Licenses have been issued for a number of Singaporean projects that have not yet started operation and the Vietnam Government would like to see these projects get off the drawing table as soon as possible. About US\$5 billion of licensed Singaporean projects in Vietnam have not been invested yet. Vietnamese and Singaporean authorities both want to improve the regulations regarding the granting of investment certificates by both the Vietnamese Ministry of Planning and Investment and the Singapore Economic Development Board (EDB) to speed up the process.

## **I. MALAYSIA IS CATCHING UP IN A BIG WAY**

Vietnam is emerging as an important investment destination in ASEAN for Malaysian companies while Malaysia is ranked Vietnam's 9th largest foreign investor with cumulative investment capital amounted to \$1.9bil in 173 projects for 2005. Malaysian companies mainly invest in such areas as oil and gas, plastic and petrochemicals, trading, logistics, food processing, hotels, pharmaceuticals and the banking sector. Of these, \$1.45bil or 75% of the total investment, are in the manufacturing sector. After Vietnam's entry into WTO early this year, the prospect for Malaysian investment in Vietnam looms larger, given Vietnam's better investment environment and the slight difference in economic growth rate between the two countries.

*a. Recent Breakthrough in Malaysian Investments:*

Following a deal signed Wednesday with the city's North-West Metropolitan Area, Berjaya will develop the township on a 880ha site in the Tay Bac (North-West) new urban area in the outlying Cu Chi district. About 30km from downtown, it will have an international university campus, dormitories, an IT tower, a trade-apartment-hotel complex, and civic and administration zone. It will also have residential precincts, a river port, recreation parks, and sporting venues. There will be a variety of waterfront and riverfront housing to suit residents, workers, and visitors. Construction is expected to be completed within 10 years.

The Malaysian developer expects to take 12 months to submit a blueprint. Bland is making a feasibility study for a 24 km monorail linking National Highway 50 in HCMC's southern outlying district of Binh Chanh and district 2 in the east, and an 8.5 km line connecting Quang Trung Software City with Go Vap district. The city's transport development master plan envisages developing three monorail lines with a total length of 37 km and six subway routes with a length of 107 km. The Malaysian real estate group will also invest in a financial center in district 10 under a memorandum of understanding signed with the city government. The 6.5ha complex will comprise a shopping center, high-end office block, and five-star hotel.

Bland has also entered into a deal with neighboring Dong Nai province to develop Nhon Trach district into a city. Bland will provide technical services and management expertise and experience relating to town planning, design, development and construction. The center will be of international standard. Its scope of work in Nhon Trach will include the development of a central business district, residential areas and transportation network. The Dong Nai, which is situated near HCMC, is the industrial gateway to the southern Vietnam Economic Zone.

Besides, an affiliate of Bland - Berjaya-Handico 12 Co Ltd - is building \$350 million residential-commercial complex in the Hanoi capital's Long Bien district via a joint venture with a local company. It will comprise apartments, bungalows, serviced apartments, a commercial center, and schools. Bland is a property arm of Berjaya Corp, one among major Malaysian conglomerate, engaged in finance service, real estate, education, retailing and hotel and listed on the main board of Bursa Malaysia Securities.

*b. New Focus in Infrastructure Development:*

Berjaya Corporation Bhd (BCorp), which is intensifying its investments in Vietnam, has completed the preliminary feasibility study on the construction of a monorail system in Ho Chi Minh City. BCorp and several of its subsidiaries, including Berjaya Land Bhd (BLand), had shared resources to carry out the feasibility study, which required "multi-disciplinary input". BCorp had submitted a report on the preliminary study to the local authorities of Ho Chi Minh City. Initial findings showed that there were "some difficulties" in constructing a monorail system in the city, partly due to the city's existing road and drainage systems. "Irrespective of the difficulties and physical constraints, experts' views are that the implementation of transit systems including the monorail in Ho Chi Minh City is urgently needed to solve the chronic traffic congestion in the city.

In March, BCorp signed a memorandum of understanding with Ho Chi Minh City Department of Transport and Urban Public Works to undertake the study. The project involves the construction of a monorail system to connect the city to No 50, National Road (24km) and the Quang Trung Software Park (8.5km). The monorail system was part of a bigger transit system the Vietnamese authorities planned to develop. The overall transit system is split into many projects involving several routes using different train system. The portion taken up by BCorp are two specific alignments of the overall transit plan which uses the monorail system.

Berjaya group has several projects in hands in Ho Chi Minh City. Early this month, BLand won the exclusive rights to develop a university township in the city with a gross development value (GDV) of RM12.1 billion over a period of eight to 10 years. It has another mixed commercial development project in the city with a GDV of RM2.42 billion. In Hanoi, BLand has just started a mixed development project with GDV of some RM1.3 billion, which is expected to start contributing 20% of revenue within five years. On an unrelated matter, it is understood that Berjaya Group will undertake a US\$700mil property project involving hotels, residential and commercial development in Ho Chi Minh City next year. It is believed that the group will develop a financial district similar to the Phu My Hung New Urban Centre in District 7 in the city. Currently, Berjaya Group is doing a feasibility study and construction is expected to commence next year.

Berjaya group's other projects in Vietnam include a five-star resort hotel in Kien Giang province, and an industrial park in Dong Nai province. Berjaya group's foray into various developments in Vietnam represented an opportunity for it to capitalise on the country's booming economic potential and investment opportunities. In particular, BLand would leverage on its property development expertise to tap Vietnam's huge population of more than 89 million people, 80% of which were below 40 years old. Vietnam has become one

of Asia's fastest growing economies, with gross domestic product growth of over 8% both in 2005 and 2006. Goldman Sachs in late 2005 named the country as one of the eleven economies that had promising outlook for investments and future growth, and may emerge as an important player by 2050.

Gamuda Land Sdn Bhd expects its mixed development project here to take off in the third quarter of 2007. The project would include residential components and offices. Vietnamese market had huge growth potential, with ample opportunities in the property sector, supported by the pro-business government and environment. It is understood that the company's venture into Ho Chi Minh City involves the development of 20 to 30 villas, and that the local partner would bear 50% of the construction costs. Earlier this year, Gamuda had announced its first foray into Vietnam with a US\$1bil project in Hanoi, involving the development of a convention centre, office towers, hotels and luxury properties. Gamuda will partner Vietnamese state-owned Mechanical Engineering Services LLC to develop the 327ha Yen So Park project. Meanwhile, UEM Group international business assistant manager Nik Tasha Nik Kamaruddin said the group was active in Vietnam and would be keen to explore opportunities in Ho Chi Minh City. She said UEM already had projects in Hanoi and a representative office under Pharmaniaga Bhd in Ho Chi Minh City. "We are looking at all aspects of doing business as Vietnam is developing in every field. It is a matter of prioritising the business and focusing on one sector," she added. Earlier, the Vietnam: Modernisation and Regional Integration forum attracted more than 500 local and foreign participants.

## **II. THAILAND IS THE THIRD BIGGEST ASEAN INVESTOR**

Foreign direct investment (FDI) from Thailand has increased rapidly in the past several years and Vietnam has become the choice of a large number of Thai investors who have decided to invest abroad. Data from the Foreign Investment Department of the Planning and Investment Ministry show that in the first seven months of 2007, 10 Thai investment projects with a total of US\$274.9 million in registered capital were licensed. In addition to these, four ongoing Thai investment projects are being allowed to increase their capital by a total of US\$2.7 million. From 1998 until the end of July 2007, there have been 153 Thai investment projects in Vietnam with US\$1.54 billion in total registered capital. Thailand presently ranks 12th among 79 countries and territories that have direct investment in Vietnam. Compared with other ASEAN (Association of South East Asian Nations) countries, Thailand is the third biggest investor in Vietnam (following Singapore and Malaysia) and has 83 projects in operation that employ more than 12,000 people.

*a. Focus on Infrastructure and Construction Sector*

Statistics from the Foreign Investment Department show that Thai investment in Vietnam is mostly in the areas of industrial zone infrastructure construction, new urban area construction, hotels, tourism, and industry. The bulk of Thai investment has been made in Dong Nai, Hanoi, Binh Duong and Ho Chi Minh City. Some 67 percent of Thai investment projects are 100 percent Thai capitalized (with nearly 56 percent of total registered capital) and 27.6 percent of Thai projects are joint ventures (43 percent of the registered capital).

The Foreign Investment Department said that in general, Thai investment projects in Vietnam have been successful. They are making some products that can substitute for imports and others that can be exported. The director of the Foreign Investment Department, Phan Huu Thang, said that more Thai investment is expected in the areas of industrial processing, industry that caters to agriculture and rural development, information technology, biotechnology and electronics.

One successful Thai company here in Vietnam is the Vietnam Animal Husbandry Joint Stock Company representing US\$328 million in investment capital. This company makes animal feed and deals in live poultry. In 2006, sales for this company totaled about US\$300 million and the company employs more than 5,000 local people.

*b. Preference for Industrial Sector*

Another successful Thai investor is the Siam Cement Group (SCG), a company that's nearly 100 years old. After more than 10 years in Vietnam, on July 5, 2007, SCG started construction on a carton facility in the Vietnam-Singapore Industrial Park that is to cost US\$140 million. This plant will be able to make 220,000 tonnes of carton per year and will be SCG's biggest investment project in Vietnam. The plant is to come into operation in 2009.

Presently, SCG has five chemical and construction material projects in industrial parks in Binh Duong and Dong Nai provinces. The vice chairman of SCG, Roongrote Rangsiyopash, said that the investment environment in Vietnam makes it possible for the group to expand operations. He also said that Vietnam is one of SCG's strategic markets.

The Thai Chemicals Group, while already having several projects in Vietnam, plans to form a joint venture with the Vietnam Oil and Gas Group and build Oil and Gas Complex No. 3 in Ba Ria-Vung Tau province, something that is to cost more than US\$1.5 billion.

Thai cement companies also plan to increase their investment capital in Vietnam to US\$3 billion in 2007 and to US\$6 billion in the coming years.

Economists say that the investment environment in Vietnam is improving and this is making Vietnam more attractive to all foreign investors. The Vietnamese economy is growing rapidly and growth has been stable. In addition, Vietnam is following through on its commitments related to the World Trade Organization (WTO) membership. Thai businesspeople know that in 2006, the gross domestic product (GDP) in Vietnam increased 8.2 percent compared with 2005, that Vietnam is a WTO member, and that more administrative reform can be expected. They also consider Vietnamese workers as young and willing to learn new things quickly, while they are appreciated by foreign investors in Vietnam.

In late March 2007, a delegation of more than 100 Thai companies visited Vietnam. During their visit, the former Thai Minister of Foreign Affairs, Arsa Sarasin, said that he appreciates the rapid economic growth within Vietnam and he feels that Thai companies will be increasing their investments in Vietnam.

### **III. HOWEVER INVESTMENTS FROM OTHER ASEAN MEMBERS ARE STILL IN GENERAL BELOW POTENTIALS**

At present, all ASEAN member nations have invested in Vietnam, except for Myanmar. According to statistics of the Ministry of Planning and Investment (MPI), among ASEAN member countries, Singapore has the most investment in Vietnam with 474 projects and US\$9.07 billion of investment capital, ranking second among 78 countries and territories investing in Vietnam.

#### *a. Singapore on top of ASEAN Investors*

Following Singapore is Malaysia with 219 projects, \$1.7 billion of capital, ranking 10<sup>th</sup>; the Philippines, with 30 projects worth \$247 million; Indonesia, 14 projects worth \$137 million; and Brunei, with 37 projects worth \$125 million.

Singaporean investors are involved in most economic sectors of Vietnam, from oil and gas exploration and exploitation to industrial production and fisheries, agricultural and forestry processing. However, they are most keen on the service field, with 207 projects totalling \$5.5 billion of investment, accounting for 60.7% of the total registered capital, followed by industry and construction with 230 projects and \$3.3 billion, accounting for 36.4%; agriculture-forestry-fisheries with 37 projects and \$254 million of capital.

Many Singaporean-invested projects are running very effectively, including the Vietnam-Singapore Industrial Zone, a joint venture between the Trade and Investment Company and the Vietnam Singapore Industrial Park Pte.Ltd (VSIP), with total investment of more than \$139.1 million. The Vietnamese side holds 49% of capital and the Singaporean partner, 51%.

Malaysia is one of the ten top countries and territories investing in Vietnam. Malaysian projects mainly focus on industry with 140 projects worth \$1.19 billion of registered capital, followed by services with 47 projects worth \$336 million and agriculture-forestry-fisheries with 32 projects worth \$208 million. However, investment into Vietnam by Malaysia is below the potential for cooperation between the two countries. Most Malaysian-invested projects in Vietnam are small ones.

*b. Modest Investments from the Philippines, Indonesia and Brunei:*

Investment from the Philippines, Indonesia and Brunei into Vietnam is also quite modest. According to the Foreign Investment Agency under the MPI, the Philippines currently has 30 projects worth \$247 million of registered capital in Vietnam, \$85.9 million of which has been disbursed. This country's projects are mainly in the field of industry with 14 projects and \$157.4 million, accounting for 63.5% of total investment capital, and agriculture with 8 projects worth \$88.8 million. The service sector accounts for a small amount of capital with 8 projects and \$855,000 only.

Indonesia has 13 projects in Vietnam totalling \$130 million, including 11 projects in industry worth \$73.8 million (accounting for 56% of total capital), three in services worth \$63.7 million, and no project in agriculture.

Brunei invests in 37 projects worth \$125 million. Like the two above countries, Brunei's investment focuses on industry with 31 projects and \$116 million, accounting for 92% of

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the total capital. Agriculture and services account for a small proportion with five projects and \$9.6 million for agriculture and one project worth \$120,000 in services.

**Conclusion:**

### **PROSPECT FOR THE FUTURE**

Vietnam Prime Minister Nguyen Tan Dung undertook an official visit to five ASEAN member countries in mid-August 2007. The visit is more meaningful since it happens at the same time as the 40<sup>th</sup> anniversary of ASEAN (8/8/1967 – 8/8/2007). Vietnam and the five member countries of ASEAN, Indonesia, the Philippines, Singapore, Myanmar, and Brunei, have developed cooperative relations in various fields. The visit by PM Nguyen Tan Dung aims to strengthen and promote those relations, especially in the fields of economics, trade and investment.

#### *a. PM Nguyen Tan Dung's Economic Diplomacy*

To further attract investment from ASEAN countries, especially potential partners, Vietnamese authorities are checking and classifying projects from ASEAN to create suitable supportive measures. For example, Vietnam gives priority to accelerating the implementation of Singaporean projects. The Ministry of Planning and Investment of Vietnam and the Singaporean Economic Development Agency are adjusting the rapid agreement mechanism on granting investment certificates.

In the relations with Malaysia, the two governments have approved the establishment of an agency to support Malaysian-invested projects that have investment certificates already but are facing difficulties in operation. Vietnam plans to attract Malaysian investment in oil and gas, metallurgy, chemicals, hotels and new residential area construction, timber processing, food processing, aquaculture and seafood processing, education and training, including short-term vocational training for laborers to be exported to Malaysia.

Regarding investment partners, besides Malaysian companies, Vietnam wants to attract big groups investing in Malaysia to come to Vietnam in an effort to bring Vietnam into the production system of multinational companies in the region.

Another measure that is being performed to promote investment cooperation between Vietnam and ASEAN member countries is encouraging and assisting the investment of Vietnamese companies in ASEAN countries through diplomatic representative agencies of Vietnam in ASEAN nations in the forms of workshops, information exchanges and organizing business visits. Nguyen Tan Dung's visit to the five ASEAN countries this time has achieved positive results. The leaders of these countries and PM Dung had entered open and frank discussions about measures and orientations to promote bilateral as well as multilateral ties in the spirit of mutual trust and understanding. All the leaders and political circles of these countries spoke highly of Vietnam's rapid and sustainable development in all fields. PM Nguyen Tan Dung also received many delegations from leading businesses of ASEAN countries and took part in many forums between businesses from Vietnam and those from the countries he visited. Most businesses from ASEAN countries expressed their wish to cooperate with Vietnam in commerce and investment. As a result, Vietnamese businesses signed contracts worth billions of USD during this visit. The results of this visit would act as an impetus to boost the friendship and multi-faceted cooperation between Vietnam and these countries in the near future.

*b. New Cooperation and Connectivity Framework with ASEAN:*

During the visit, leaders of the five ASEAN countries and Nguyen Tan Dung discussed and reached several agreements on the direction for boosting the relationships in the coming time. Regarding Indonesia, the two countries' leaders emphasized the necessity of strengthening the comprehensive, long-term and stable cooperation between the two countries. The two sides agreed to entrust their ministries and branches to build an action programme to continue implementing the Vietnam-Indonesia Joint Statement on Friendly and Comprehensive Cooperation in the 21st Century. In this spirit, the two leaders agreed to raise the bilateral relationship to a new height for peace, stability and development, in order to create a momentum for the comprehensive development of both Vietnam and Indonesia. Regarding the Philippines, the two sides signed a 2007-2010 action programme to implement the Joint Statement on Cooperation in the first years of the 21st century. The action programme specifies a series of key cooperative fields such as politics, security-defence, economics-trade, forestry-fishery, tourism, health, culture and education, and science and technology. The implementation of the action programme is considered the focus of the cooperation between the two countries in the coming time.

In regard to Singapore, the future direction for cooperation is to continue implementing the Joint Statement on Comprehensive Cooperation in the 21st century and the Framework

Agreement on Vietnam-Singapore Connection. Accordingly, the two sides will establish a joint steering committee, which is responsible for speeding up the implementation of Singaporean projects in Vietnam. The two sides are also considering expanding their connection beyond the six pledged fields of finance, investment, trade-service, transport, post and telecommunication-information technology, and education and training, to also cover port-entrepot and urban infrastructure development. Singapore pledged to help Vietnam build an English teacher training centre. With regard to Myanmar, the two countries' leaders agreed to strengthen the bilateral cooperation in economics, trade, agro-forestry-fishery and expand the cooperation to other fields such as oil and gas exploitation, health care and telecommunication. The two countries will strive to raise two-way trade to 100 million USD in 2008 from 72 million USD in 2006. Myanmar calls on Vietnamese enterprises to invest in agro-forestry, hydropower and oil and gas. On this occasion, the Vietnam Oil and Gas Corporation (PetroVietnam) and Myanmar's Ministry of Energy signed a memorandum of understanding on strategic cooperation in the oil and gas industry, facilitating their future cooperation in oil exploitation in Myanmar.

As for Brunei, the future cooperation will focus on trade, investment, oil and gas, sports, education and labor. Brunei leaders suggested bolstering cooperation and exchange of experiences in the oil and gas field and said they are ready to receive more guest workers from Vietnam. Vietnam and Brunei have carried out several oil and gas cooperative agreements. Brunei is also a potential labor market as nearly 1,000 Vietnamese people are working in the country. During the visit, the two countries' leaders agreed that Vietnam and Brunei share a great potential for developing multi-faceted cooperation and expressed their determination to bring the bilateral relationship to a new height.