

UOB secures more than S\$3 billion of foreign direct investment into Vietnam in alliance with its Foreign Investment Agency

Bank facilitating additional pipeline of more than S\$1.5 billion under expanded MOU with FIA

Singapore, 27 November 2020 – UOB is stepping up its efforts to help companies seize opportunities in the region’s fastest-growing economy, Vietnam¹, after securing more than S\$3 billion of foreign direct investment (FDI) into the country². The Bank and Vietnam’s Foreign Investment Agency (FIA)³ today signed an expanded Memorandum of Understanding (MOU), which will see the Bank facilitating an additional pipeline of more than S\$1.5 billion in FDI into Vietnam.

Vietnam received close to US\$14 billion in disbursed FDI in the first nine months of the year⁴ across all industries and UOB is helping companies from across the region ride on the momentum, focusing on high growth sectors. These are the sectors that the Vietnamese government seeks to develop, namely sustainable energy, manufacturing, infrastructure, healthcare and technology.

Tapping the trade corridors between ASEAN and Greater China, UOB has helped more than 150 companies seize opportunities in Vietnam and aims to double the number as part of the latest MOU. As part of the value chain, small- and medium-sized enterprises (SMEs) which support these sectors will also benefit. More than 2,000 jobs in Vietnam are also forecast to be created from the next wave of investments. This is on top of the more than 17,000 jobs already created under the first MOU. More Singapore companies are also expected to invest into Vietnam as part of increased business and closer ties between the two countries.

¹ Among the ASEAN-5 economies, namely Indonesia, Malaysia, the Philippines, Thailand and Vietnam. Source: [World Economic Outlook, October 2020: A Long and Difficult Ascent](#), International Monetary Fund.

² Effected under the Memorandum of Understanding UOB signed with Vietnam’s Foreign Investment Agency. Please see UOB news release: "[UOB and Vietnam’s Foreign Investment Agency sign MOU to boost trade between Vietnam and Southeast Asia](#)", 19 April 2015.

³ The FIA is the designated agency under Vietnam’s Ministry of Planning and Investment that supports FDI into Vietnam and Vietnamese companies venturing overseas.

⁴ Source: "[FDI Brief Report in the nine months of 2020](#)", Ministry of Planning and Investment of the Socialist Republic of Vietnam, 26 September 2020.

UOB's own ties with Vietnam began in 1993 when the Bank opened its representative office in the country.

UOB remains the first and only Singapore bank to establish a foreign-owned subsidiary in the country, doing so in 2018.

Mr Wee Ee Cheong, Deputy Chairman and CEO, UOB, said, "At UOB, we have been steadfast in our support of Vietnam's economic development since establishing our roots in the country almost 30 years ago. Over the years, we have experienced first-hand the rise of Vietnam, driven by a strong economy that is set to become the fourth largest in ASEAN by the end of this year⁵.

"The expanded MOU with FIA reaffirms our close and collaborative relationship in helping regional companies tap Vietnam's vibrant economy, driving their sustainable advancement and boosting trade flows and job creation across ASEAN. With the seamless connectivity and sectoral expertise we offer throughout our regional network, UOB is well placed to support companies looking to diversify their supply chains amid disruptions caused by the global pandemic."

UOB Vietnam has three offices, two in Ho Chi Minh City and one in Hanoi, which provide financial solutions that are essential to the different life and business stages of consumers and companies in Vietnam. Its digital presence is established through the Bank's award-winning mobile banking app, UOB Mighty. In 2013, UOB set up a dedicated FDI Advisory team in Vietnam⁶ as part of broadening its support for regional clients investing into the country.

The expanded MOU will see FIA broaden access to investment opportunities beyond the main cities of Ho Chi Minh City and Hanoi and into fast-developing cities such as Bach Ninh, Hai Duong, Binh Duong and Dong Nai.

Mr Tran Duy Dong, Deputy Minister of Planning and Investment in Vietnam, said, "Vietnam's economic strength and stability continue to make it a top FDI destination for global enterprises, driven by business opportunities arising from its young population, educated workforce and rising middle class. Many

⁵ Source: [World Economic Outlook, October 2020: A Long and Difficult Ascent](#), International Monetary Fund.

⁶ Please see UOB news release: "[UOB paves the way for Vietnamese businesses expanding into Asia with launch of FDI Advisory Unit](#)", 25 September 2013.

enterprises are also looking to invest and to expand deeper into Vietnam, encouraged by our advanced manufacturing capabilities and technological innovations in fast-developing cities beyond the traditional FDI destinations of Ho Chi Minh City and Hanoi.

“Through the expanded MOU with UOB, we believe more enterprises will be able to ride on Vietnam’s growth and tap opportunities across the entire country. The MOU also signifies our strong and longstanding collaboration with UOB to drive more FDI into Vietnam.”

Under the MOU, FIA will also provide companies referred by UOB with advisory on investment policies and dedicated support in investment procedures and applications. The UOB FDI Advisory team provides companies from across the Bank’s network with local insights, market entry support and customised financial solutions, and connects them to regional business opportunities. UOB FDI Advisory and FIA will also conduct webinars with speakers from the Bank’s ecosystem partners, including government agencies, consulting firms and multinational companies, to share their expertise and best practices on investing in Vietnam.

The MOU signing ceremony was conducted virtually today, attended by senior Vietnamese government officials and senior leaders from UOB.

Helping companies to expand their operations into Vietnam

Vietnam continues to be an attractive destination for FDI, with an average of nine per cent growth in FDI inflows from 2015 to 2019⁷. The country’s attractiveness to foreign investors remained unabated amid the COVID-19 pandemic, registering a gross domestic product growth of 2.62 per cent in the third quarter of 2020 even as economies in the region contracted⁸.

⁷ Source: World Bank data, <https://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD?end=2019&locations=VN&start=2015>, accessed on 8 November 2020

⁸ Source: [Vietnam: A Soft Rebound in 3Q](#), UOB Global Economics and Markets Research, 29 September 2020.

With Singapore businesses listing Vietnam as their top market for overseas expansion⁹, UOB will continue to work with Singapore government agencies and trade associations to facilitate investments into Vietnam. Sembcorp is one of the companies, with whom UOB has been working closely in Vietnam to support its industrial park projects.

Mr Kelvin Teo, CEO, Sembcorp Development, said, “Vietnam is a key market for Sembcorp Development. We operate 10 integrated townships and industrial parks in Vietnam under our VSIP¹⁰ joint ventures, of which three were launched these couple of years. UOB has supported Sembcorp’s growth in the country and we are happy to build on our strong partnership while expediting sustainable urban solutions as part of Vietnam’s industrialisation.”

UOB has also assisted start-ups and SMEs from across ASEAN in their ventures into Vietnam. In 2019, UOB connected Ruanguru, an Indonesian startup providing education technology solutions, to FIA to facilitate its setting up of operations in Vietnam, in addition to supporting its local banking needs.

This year, UOB also assisted Esco Lifesciences Group, a Singapore life-sciences company, to expand their business in Vietnam by providing banking solutions to support its local operations and cross-border trading activities, as well as to help it manage foreign exchange risks.

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world’s top banks: Aa1 by Moody’s Investors Service and AA- by both S&P Global Ratings and Fitch Ratings. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, as well as branches and representative offices across the region.

⁹ Source: ["SBF and Enterprise Singapore lead business mission to Vietnam to explore emerging opportunities amid robust commercial interest"](#), Singapore Business Federation, 15 July 2019.

¹⁰ Refers to Vietnam Singapore Industrial Park (VSIP). In 2018, UOB signed a MOU with VSIP JV, a joint venture between Singapore’s Sembcorp Development and Vietnam’s Becamex IDC, to encourage and to facilitate FDI into Vietnam. Please see UOB news release: ["UOB Vietnam signs first MOU to encourage foreign direct investment nto Vietnam following its official subsidiary launch"](#), 9 August 2018.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

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