

**VIET NAM – JAPAN COOPERATION
IN INDUSTRY, TRADE AND ENERGY**

FACT SHEET

23 August 2022

1 INDUSTRY COOPERATION

1-1 Enhancing efforts to strengthen supply chain resilience

1-1-1 Deregulation of plant isolation and continued factory operation with COVID-19

- The Ministry of Economy, Trade and Industry (METI) and the Ministry of Industry and Trade (MOIT) confirmed the importance of flexible containment measures against COVID-19 based on Viet Nam's Government Resolution 128 (128/NQ-CP) to maintain supply chains and stable production activities of enterprises in order to avoid situations where the global supply chain in auto-related and other industries would be disrupted.

1-1-2 Achievement of supply chain diversification subsidy

- Both Ministries affirmed the importance of closer and sustained strengthening of supply chain linkages between both countries by continuing to encourage and support the diversification of overseas production bases for goods and materials to realize an even more resilient supply chain for the post-pandemic economic recovery. To achieve this objective, both ministries expressed their expectations for cooperation between Japanese and Vietnamese enterprises and confirmed that both Japan and Viet Nam would work together to create a more favorable environment for Japanese enterprises to further expand their investment in Viet Nam.

1-1-3 Promoting supply chain resilience by utilizing digital technology in the collaboration of companies of both countries

- Both Ministers confirmed that under the rapid changes in the global business environment, securing visibility in the supply chain and enhancing risk-responding capacity by utilizing digital technology is important, and that they encouraged further discussions among private and public sectors, to work toward

creating best practices for structuring a resilient and competitive supply chain that fully utilizes data.

1-1-4 Regular meetings to prevent supply chain disruptions

- Both Ministries held the first regular meeting based on the Memorandum of Cooperation on Prevention of Supply Chain Disruptions in July 2022. Both Ministries confirmed to continue discussions and cooperation towards supply chain resilience.

1-2 Strengthening industrial competitiveness through digital technology

1-2-1 Japan-Vietnam DX Business Collaboration

- Both Ministries confirmed that they would further promote investment through J-Bridge and other digital platforms by encouraging collaboration between Japanese and Vietnamese companies in such fields as digital and green transformation.

1-2-2 ADX demonstration projects

- Both Ministries confirmed that they would promote further cooperation in business co-creation between Japanese and Vietnamese companies using digital technology and other innovations under the Asia-Japan Investing for the Future Initiative (AJIF).

1-3 Promoting cooperation in fostering supporting industries

1-3-1 Business matching

- The Japan External Trade Organization (JETRO) confirmed that it would continue to work on fostering Viet Nam's supporting industries through parts procurement exhibitions and business matching events. Deputy Minister Do Thang Hai of MOIT participated in the opening ceremony of the 9th Supporting Industry Show (FY2021) parts procurement exhibition and business matching event, indicating the high expectations for the development of supporting industries through this event.

1-3-2 Cooperation in the automobile area/ Automobile Working Group

- Both Ministries confirmed that they would continue to discuss issues of interests in the automobile sector in the Japan-Vietnam Automobile Working Group, including fostering supporting industries.
- Both Sides convened a meeting in May 2022 to review the action plan (version 1) between MOIT and METI in the automobile industry so as to collect inputs to develop the action plan version 2 in line with practical development of the automobile industry and supporting industries under the COVID-19 pandemic. The action plan version 2 was approved at the 31st May 2022 meeting of the Japan-Vietnam Automobile Working Group.

1-4 Supporting human resource development

1-4-1 Support for human resource development of coordinators for manufacturing enterprises

- METI-KANSAI confirmed that it would continue to cooperate with the People's Committee of Dong Nai Province of Vietnam to develop supporting industries and foster industrial human resources by sharing information through online conferences and conducting business matching activities through webinars between enterprises in both countries in order to promote further interregional cooperation based on the Framework on Economic Cooperation between METI-KANSAI and the People's Committee of Dong Nai Province. MOIT expressed support for such cooperation between METI-KANSAI and provinces of Viet Nam, with Dong Nai in particular.

1-4-2 Human resource development for automobile related software

- Both ministers confirmed the implementation of a cooperative initiative of both countries in human resource development for automobile related software including providing endowed chairs and holding information exchange conferences among relevant parties.

2 TRADE COOPERATION

2-1. E-commerce and digital trade

- Viet Nam and Japan organized the 13th Government Dialogue on E-commerce and the Digital Economy between Japan and Viet Nam in April 2022. At this

Dialogue, both Sides updated their development status and current policies in e-commerce and the digital economy and discussed cooperation activities in the next phase.

- Both Sides cooperated to promote digital transformation between Japanese and Vietnamese enterprises under METI's Asia Digital Transformation project (ADX). The Ministry of Industry and Trade of Viet Nam has recommended several potential enterprises to join the project for the scrutiny of METI.

2-2. Trade promotion

- MOIT and JETRO cooperated in organizing a number of events for enterprises especially in supporting industries in the first half of 2022.
- In April 2022, MOIT sent 24 Vietnamese enterprises to exhibit products at Japan Softwares and Apps Development Expo in Tokyo, Japan. Thanks to this Expo, Vietnamese enterprises signed 11 sales contracts with Japanese partners.

3 ENERGY COOPERATION

3-1 LNG

- Both Ministries acknowledged the importance of LNG as a transition fuel in order to ensure a secure and stable supply of energy for achieving both the goals of post-pandemic economic recovery and lowering greenhouse gas emissions.
- Both Ministries confirmed that they will facilitate and support Japanese investment in the operation and development of LNG-fired power plants in accordance with Viet Nam's respective laws and regulations.
- MOIT asked METI to provide training programs or share experience in 2023 for MOIT officials in the LNG area, especially in the operation and development of LNG-fired power plants, contract output and standards for operating LNG-fired power plants. MOIT and METI will discuss further on this request in a way that benefits both countries.

3-2 Block B Gas field

- For the Block B project, MOIT will continue to support the parties in the project chain to complete investment procedures in accordance with Vietnamese laws and regulations.

3-3 Wind power support on the ocean

- Both Ministries consented (1) to promote support for the establishment of bidding and other related systems for the introduction of offshore wind power, and (2) to support for wind and geological survey application to MONRE by Japanese and Vietnamese companies to identify suitable sites, with a view to developing demonstration and investment projects.

3-4 Biomass

- Both Ministries acknowledged that biomass co-firing/ mono-firing in thermal power plants would play an important role in accelerating the energy transition in Viet Nam as a decarbonization technology suited to the actual situation in Viet Nam. Both Ministries consented to support the realization of the projects that Japanese companies have actively engaged in.