

press release

Standard Chartered: Vietnam moving the right direction, GDP growth reach 6% this year

28 January 2015, Hanoi, Vietnam – Standard Chartered Bank expects Vietnam’s GDP growth to accelerate to 6% in 2015, slightly higher than its previous forecast of 5.8% driven by the success of structural reforms, which are delivering tangible economic benefits.

The Vietnam forecast was highlighted in Standard Chartered’s recently published Global Research report titled “The Year Ahead: Rekindling Animal Spirits”.

The report revealed that Vietnam continues to move in the right direction and that overall global growth is also set to rise in 2015. However the study also noted that international investor confidence remained low despite these positive signs.

Standard Chartered’s economists are upbeat about the economic outlook for Vietnam with foreign investment likely to gather pace and exports to recover in 2015.

The report also pointed out that multinational companies have expressed a keen interest in increasing investment in the country thanks to Vietnam’s geographic advantages, low labour and operating costs and increasing participation in regional trade pacts.

“We think Vietnam’s foreign direct investment and exports are likely to accelerate in 2015, leading economic growth. We also expect some progress to be made on structural reforms in 2015, the last year of the country’s five-year social-economic development plan. This should improve domestic sentiment,” said **David Mann, Head, Macro Research, Asia, Standard Chartered Bank.**

Nirukt Sapru, CEO of Standard Chartered Bank Vietnam, said: “Vietnam is showing early signs of economic recovery and a transformation towards higher value economic activities. The Government took important measures in 2014 to improve business conditions, which are expected to bear fruit from 2015.”

The economists, members of the Bank’s Asia Macroeconomic Research Team, recently voted Asiamoney’s Best Asia Macro Research Team, are in Ho Chi Minh City today to conduct a high level economic briefing. The annual briefing attracts senior representatives from more than 200 Vietnamese and international businesses.

The session is part of the 2015 Standard Chartered Global Research Briefing series, which is organised by the Bank in major ASEAN cities to provide in-depth insight and analysis on global, regional and local socio-economic trends that will have an impact on international business and trade in the year ahead.

Highlights of Vietnam 2015 outlook by Standard Chartered Global Research:

- GDP to grow by 6.0%
- Inflation is contained at 3.4%, likely to provide more room for policy manoeuvrability
- The Trans-Pacific Partnership trade agreement should attract increased FDI
- Growth in electronics exports, now Vietnam's biggest export item, expected to accelerate
- Fiscal policy likely to be accommodative as the authorities' focus remains on promoting growth
- Further progress on reforms expected
- Neutral short-term FX weighting on the VND

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Notes to Editors

Standard Chartered Bank (Vietnam) Limited

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Following the official approval from the State Bank of Vietnam, effective 1 August 2009, Standard Chartered commenced operations in its locally incorporated entity – Standard Chartered Bank (Vietnam) Limited. Local Incorporation was an important milestone in Standard Chartered's development in Vietnam.

Standard Chartered now has three branches and employs over 850 staff. The Bank provides a full of suite banking products and services for corporates, financial institutions, small and medium enterprises and individuals.

Standard Chartered brings its international expertise and experience in other growing markets to Vietnam, where it actively contributes to the development of the banking and finance sector in the country. The Bank also plays an active role in the Vietnamese community and has demonstrated this through many social and charitable activities.

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