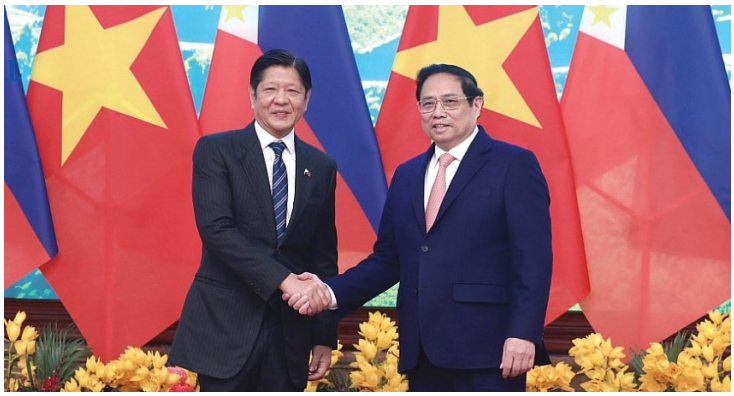
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Vietnam and the Philippines to increase bilateral trade and investment ties to foster mutual Food security agenda

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Vietnam and the Philippines will increase their bilateral trade and investment ties, with a focus placed on rice exports to help ensure food security.

During the state visit to Vietnam by the Philippinesâ?? President Ferdinand Romualdez Marcos, the two Southeast Asian nations agreed that they will devise new mechanisms to enhance regional economic connectivity such as ASEANâ??s**Free Trade Agreement, Trade in Goods Agreement, and Comprehensive Investment Agreement**

The two countries have also pledged to facilitate investments of each other into respective markets, especially projects involving processing, infrastructure, the vehicle supporting industry, renewable energy, and high-tech agriculture.

The Philippines is the 16th largest trade partner of Vietnam worldwide and the sixth-largest trade partner of Vietnam in Southeast Asia. At present, there are about 30,000 Vietnamese nationals living and working in the Philippines, where there are also 700 Vietnamese students.

Burgeoning mutual trade opportunities:

Vietnam currently has five projects in the Philippines, registered at nearly $4 million. Bilateral trade turnover between the pair increased from $2.9 billion in 2012 to $7.8 billion in 2022. In the first 11 months of 2023, the figure hit $7.1 billion.

According to an investment report released in late December by the ASEAN Secretariat and the UN Conference on Trade and Development, from 2013 to 2022, more than one-third of the favorable foreign direct investment (FDI) measures in ASEAN related to opening new sectors or activities.

For example, in 2021â??2022, Vietnam allowed complete FDI in insurance and set implementation guidelines for the 2020 Law on Investment, which includes a restrictive list for market access for foreign investors. Similarly, the Philippines permitted full FDI in renewables and revised its negative list by removing manufacture, repair, storage and distribution of products requiring clearance from its defence department. Foreign ownership restrictions in small- and medium-sized enterprises and trading enterprises were also relaxed.

Data from the Vietnamese Ministry of Planning and Investment showed that currently the Philippines has 95 valid ventures in Vietnam registered at $608.2 million, ranking 31st out of 144 nations and territories with projects in Vietnam.

Since 2023 leaders of Philippine group Vista Land visited the Mekong Delta city of Can Tho for investment and trade opportunities. including, rice, agricultural products, snacks, fruit juice, and coffee.

In Vietnam, URC started operations in 2003 as a trading company specialising in imported products until its first factory with snack and candy lines was built at Vietnam-Singapore Industrial Park in the southern province of Binh Duong. URCâ??s factories have been replicated throughout the country, including three in Binh Duong, one in the south-central province of Quang Ngai, and one in Hanoi.

Promotes economic and trade relations

In addition to investment, Vietnam and the Philippines have also agreed to promote economic and trade relations, with a major focus laid on the rice trade. They will consider removing unnecessary barriers and support each other to ensure food security, while creating a favourable business and investment climate.

Both nations last week also inked an **MoU** on rice trading cooperation, aimed to help ensure economic benefit and food security. The Philippines is now the largest rice export market of Vietnam, with a volume of 2.63 million tonnes in the first 11 months of last year, valued at $1.41 billion.

The two countries last week also set a target of reaching a bilateral trade turnover of $10 billion next year, and promoted cooperation in other potential fields such as digital economy, circular economy, green economy, renewable energy, combating climate change, and supporting each other in developing the marine economy, innovation, and startups.

Vietnam and the Philippines forged their diplomatic relations in 1976, which were elevated to a strategic partnership in 2015. In 2019, they signed an action programme on implementing the strategic partnership for the following five years.