



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Shares end higher amid volatile market

Shares managed to stay higher yesterday amid cautious sentiment with stock indices fluctuating in a tight range.

On the Hồ Chí Minh Stock Exchange, the VN-Index gained 0.28 per cent, to close at 1,050.43 points. More than 792 million shares worth VND 13.7 trillion (US\$581.6 million) were traded in the southern market.

The market breadth was positive with gainers outnumbering losers by 252-161. Another 78 closed flat.

Thirteen out of the top 30 shares by market value and liquidity on the HOSE gained value, while 13 declined.

The VN-30 Index, tracking the 30 biggest stocks on HOSE, lost 0.02 per cent to close at 1,056.17 points.

In the VN-30 basket, the biggest gainers included Asia Commercial Bank (ACB), Bank for Investment and Development of Việt Nam (BID), PetroVietnam Gas JSC (GAS), Hoà Phát Group (HPG), Novaland h (NVL), Mobile World Group (MWG) and Sacombank (STB).

On the other side, losers were property giant Vinhomes (VHM), Vietinbank (CTG), Phát Đạt Real Estate (PDR), SSI Securities Inc (SSI), FPT Corporation (FPT), Bảo Việt Holdings (BVH), Masan Group (MSN), Tiên Phong Bank (TPB), Vingroup (VIC), h Vinamilk (VNM), VPBank (VPB) and Vin- com Retail (VRE).

Energy stocks also performed positively with gainers such as Viet Nam National Petroleum Group (PLX), PetroVietnam Technical Services Corporation (PVS), PetroVietnam Drilling and Well Services e Corporation (PVD) and Drilling Mud Joint Stock Corporation (PVC).

Seventeen out of 25 sector indices on the market gained ground, including wholesale, insurance, securities, retail, healthcare, oil and gas, banking, construction materials, logistics and seafood processing.

Meanwhile, losers were real estate, information and technology, agriculture, food and beverage, rubber production and construction.

Foreign investors net bought on the three exchanges with a total value of more than VND23 billion. Yesterday's session also marked a series of 18 consecutive sessions of net buying of foreign investors. Foreign investors' buying force focused on Vinhomes (VHM) and Novaland (NVL) while net selling on Vinamilk (VNM) and Hoà Phát Group (HPG).

On HOSE, foreign investors net bought VND28 billion.

On the Hà Nội Stock Exchange, the HNX-Index lost 0.18 per cent to close at 213.21 points.

Trading value on the northern exchange reached VND1.15 trillion, with trading volume of 85 million shares.

## Macro & Policies

### 2. Investors eager to boost cold storage

Hau Giang Cold Storage Logistics is eager for completion of the first cold storage centre in the Mekong Delta province of Hau Giang, in which construction was started in July.

The centre will combine six cold storage units and one cool unit at capacity of over 88,000 tonnes. The units, which cost a total of VND500 billion (\$21.7 million), will be installed with modern technology imported from the EU.

The first one is expected to welcome goods from the third quarter of 2023. The construction of the remaining storage in the centre will be slated for 2027, with an average construction speed of 1-2 units per year.

Company director Nguyen Van Kich said, “The demand is increasing because the export activity of fruit and seafood are being fostered. The current supply source has yet to meet the demand.”

At present, the network just concentrates on Can Tho and Hau Giang with a capacity of 50,000 pallets of seafood. “We have experience in preserving frozen seafood. Thus, we are confident that our service will meet the strict requirement in the storage of foreign clients,” Kich added.

Indo-Trans Logistics Corporation (ITL) is meanwhile accelerating its plan to lead the cold storage market with over 50,000 pallets by next year. According to the plan, ITL wants to set up a new company combining ITL Keppel and ITL Logistics, which is managing its warehouses across the country.

The new company will specialise in warehousing and cold chain development with modern technology in Ho Chi Minh City and Hanoi, and will provide 350,000sq.m of warehouse space, over 300 small trucks, and 50,000 pallets for cold storage.

Along with these firms, many domestic and foreign-invested investors are increasing their network in

Vietnam, such as Transimex JSC and AJ Total Vietnam.

As of early October, Vietnam currently has approximately 70 cold storage units with the capacity of over 800,000 pallets, which concentrate in Ho Chi Minh City and the Mekong Delta region, according to the statistics published by the Vietnam Logistics Business Association.

The largest cold storage area in Vietnam and Southeast Asia, of nearly four hectares and a total investment of VND1.3 trillion (\$56.5 million), is located in Tan Tao Industrial Park of Binh Tan district in Ho Chi Minh City, operated by Hung Vuong JSC. The area is equipped with 60,000 pallets, with a capacity of 60,000-70,000 tonnes of goods. The company is preparing a plan to invest in another unit at Hiep Phuoc port.

Le Minh Phung, marketing director of AJ Total Vietnam – a South Korean chain operator with three units in Vietnam – said the company has plans to invest in an additional 5-6 units.

“The factor fostering the development of this segment is the improvement of infrastructure in the Mekong Delta. Besides that, having easy access to capital has helped seafood companies build their own warehouses on a considerable scale, and most companies can build themselves warehouses meeting international standards,” Phung said.

The remarkable development of the fruit and vegetable export industry, especially export to China, had created a sudden growth in the system of storing, cooling, and transporting fruits and vegetables in the north-south direction. “Furthermore, the participation of multinationals and large private corporations in Vietnam in the retail market has created a remarkable development in cold storage,” Phung added.

Vietnam raked in \$10.2 billion from exporting aquatic products in the first 11 months of 2022, up 28 per cent on-year, the Vietnam Association of Seafood Exporters and Producers reported. This

figure contributes to making Vietnam become the world's third-largest seafood exporter, accounting for 7 per cent of global market share.

According to Cushman & Wakefield, the lack of cold storage units is an opportunity for the segment. While demand is high, only a few enterprises have invested and no-one can provide full related services. Only 14 per cent of cold storage is from logistics companies and the remainder is held by members of the Vietnam Logistics Business

### 3. Dong Nai hopes to attract Indian investors

So far, the province has attracted investors from 44 countries and territories with 1,550 projects worth a combined registered capital of 33 billion USD. However, there is no project by Indian investors.

Trade between enterprises in Dong Nai province and India now reaches about 800 million USD yearly.

According to statistics, enterprises in Dong Nai export to India mostly fabrics, machines, equipment, spare parts, footwear, iron/steel products, textiles, rubber, coffee, and pepper. They import plastics, chemicals, animal feed, raw materials, textile fibers, cotton of all kinds, and pesticides from India

Nguyen Thi Hoang, Vice Chairwoman of the provincial People's Committee, said that Indian

Association, such as Transimex, Gemadept, and Saigon Newport.

Supply is more plentiful in the south as demand there is higher, while 60 per cent of the market share is in the hands of foreign investors, Cushman & Wakefield reported. Vietnam's cold storage logistics industry is forecast to reach \$295 million by 2025, with a 12-percentage-point annual growth rate, it said.

businesses have strengths in fields including information technology, biotechnology, education, and health care which the province hopes to call for investment in.

She said that the province will support Indian investors to facilitate the investment.

Indian Consul General in Ho Chi Minh City Madan Mohan Sethi said an Indian business delegation is expected to visit the province soon to learn about the investment environment.

He also invited provincial leaders and a Dong Nai business delegation to visit India in 2023 to promote cooperation activities.

### 4. Ba Ria – Vung Tau to achieve impressive growth in 2022 despite pandemic

Pham Viet Thanh, its Party secretary, said with the pandemic effectively contained, socio-economic activities were seeing a tremendous recovery across the board.

It is estimated that the province's index of industrial production will increase by 10.66 per cent this year, while industrial output will rise by 10.47 per cent, surpassing the target.

The province's economy is worth around VND390.3 trillion (US\$16.5 billion) after expanding by 7.15 per cent this year.

Many of its key industrial products are seeing great growth, including frozen fish, canned beers, natural gas, and black Portman cement.

Agricultural production is set to grow only slightly this year due to global economic challenges, but the province is focusing on maintaining stable production and adoption of agricultural technologies.

Exports excluding crude oil are expected to be worth nearly US\$6.4 billion (8.74 per cent increase), with key markets like Asia, America and Europe seeing high growth.

Commercial activities are back to normal after the pandemic with demand for travelling, shopping, tourism, and dining out surging.

This has stimulated general retail sales, which are expected to grow by 12.42 per cent this year.

Tourism in particular saw a great recovery, with revenues from accommodation growing by around 128 per cent and from other tourism services by 137.37 per cent.

This is due to a spike in both domestic and foreign tourism since the pandemic has been brought under control and the province has been organising numerous demand stimulation events, including street music shows and sports events.

Ba Ria – Vung Tau is expected to end up with 17 new FDI projects and 41 domestic ones in 2022.

Many existing projects (25 foreign-invested and 15 local) also saw an increase in investment.

Total registered investment is around \$725 million (FDI) and VND23.3 trillion (domestic).

Policies to assist businesses in terms of funding, access to technology and trade facilitation have been implemented in a timely manner.

Besides, the province has been improving its investment climate and provincial competitiveness ranking to better serve businesses and investors from outside.

It is utilising digital transformation to effect administrative reform and improve the quality of public services and help local businesses promote their goods and services online.

Ba Ria - Vung Tau is also focusing on a number of other activities and policies that contribute to socio-economic development such as enhancing disease prevention and control capability, improving education quality to ensure future supply of quality manpower, and providing career counselling to students.

## 5. Viet Nam's pharma industry has great potential for growth

How do you value Viet Nam's pharmaceutical market?

Viet Nam's pharmaceutical market has experienced rapid growth over the last few years, owing to dynamic economic development, rising incomes and increased awareness. Even though COVID-19 posed challenges to all industries across the country including pharmaceuticals, we're bouncing back in the second half of 2022 and working hard to ensure patients' access to high quality medicines.

It's an industry with great potential for growth, as well as support from the Vietnamese Government for its important role in protecting and maintaining people's health. The Prime Minister issued Decision No. 376/QD-TTg dated 17 March 2021 to comprehensively develop the pharmaceutical industry. The government also strongly encourages public-private partnerships and foreign direct investment to accelerate this process.

Viet Nam has a high demand for drugs and medical devices which UK companies have a long legacy

specialising in. What do you see as the potential cooperation between the two sides, especially when the UK-Viet Nam Free Trade Agreement (UKVFTA) has secured easier access for UK's pharmaceutical producers?

As a British-Swedish company with a local entity in Viet Nam, we recognise that the UKVFTA is bringing about several benefits in the healthcare and pharmaceutical sector, including ensured import/export rights, reduced tariffs, increased protection and enforcement of intellectual property rights, especially of pharmaceutical patents, internationalised standards and technical regulations, and enhanced transparency of policies on government procurement and reimbursement for pharmaceutical products and medical devices.

In turn, these positive changes will help to increase bilateral trade between the two countries in this field, with the mutual goal to help patients in both countries have better access to high-quality healthcare products.

According to the Ministry of Trade and Industry, after the first year of implementation of the UKVFTA, two-way trade in goods between the two countries reached US\$6.6 billion, an increase of 17.2 per cent compared to 2020. Just in the first year of the UKVFTA taking effect, UK pharma exports to Viet Nam increased 35 per cent in terms of value. We also hope that gradually, the UKVFTA will contribute to creating a more favourable environment for UK businesses – particularly in pharmaceutical and supplement sectors, attracting more established companies or innovative start-ups to enter or do business with Viet Nam.

Protection of intellectual property rights is key to better access to high-quality innovative medicines. How do you assess Viet Nam's improvements in this issue in recent years?

As we have seen in the news, recently the government has made great efforts to tackle the issue of illegal, unknown, counterfeit or infringing pharmaceutical products in the country. Actions like these are crucial to ensure the health of patients as well as the integrity of the business environment.

Over the last few years, with several new FTAs entering into effect, the Vietnamese government has recognised the need to improve intellectual property rights. Viet Nam's National Assembly ratified the Amended Intellectual Property Law in June 2022, which is the most significant set of amendments since the Law was promulgated in 2005.

As intellectual property is a comprehensive matter concerning various government ministries and local authorities, we hope to see closer collaboration among stakeholders with joint actions and more practical measures to strengthen the enforcement of applicable laws and regulations. Enhanced intellectual property rights will help Viet Nam attract more investment in clinical trials and the manufacture of medicines, further boost the R&D and production capabilities, and gain early access to new and advanced medicines for Vietnamese patients.

The Vietnamese government expects to develop a modern and self-reliant pharmaceutical industry. How can British pharma companies, including AstraZeneca, support its plan?

During the pandemic, we witnessed first-hand the vital role that vaccines and medicines play to limit the spread of the virus, protect people's health and alleviate the pressure on health systems. Thanks to the Vietnamese Government's effective vaccine diplomacy as well as companies and partners' efforts to supply early to Viet Nam, our vaccination rate quickly shot up and led the country out of the lockdown last year.

And then this year, vaccines and medicines continue to be indispensable as other non-communicable and infectious diseases such as influenza and dengue fever, became more prevalent in the new COVID phase. Self-sufficiency in vaccine and medicine supply becomes ever more important for the sustainability and resilience of the health system.

As a multinational company with a local entity in Viet Nam, we are investing in the local contract manufacturing and tech transfer of several key products of AstraZeneca for Vietnamese patients. With a \$90 million investment that was announced during Prime Minister Pham Minh Chinh's visit to the UK last year, we are working with a local partner to transfer the necessary technology and knowledge, to ensure they can manufacture our high-quality products in line with AstraZeneca's global standards.

In addition, we are also supporting to uplift Viet Nam's R&D capabilities through investing US\$25 million from 2020 to 2024, running 40 clinical trials involving close to 3,000 local patients, in partnership with 44 hospitals across the country to develop many new medicines for the world. Having more Vietnamese patients included in clinical trials alongside global populations will help to ensure that the vaccines and medicines developed best reflect the needs of local communities and provide them with the right defence against different infectious diseases.

Moreover, as part of the Partnership for Health System Sustainability and Resilience (PHSSR), we are also supporting the Health Strategy and Policy Institute – Ministry of Health on policy research and recommendations to ensure Viet Nam's self-sufficiency in medicine and vaccine supplies.

## 6. Viet Nam eyes double investment in agriculture to \$34 billion by 2030

Ta Thu Trang from the Institute for Policy and Strategy under the Ministry of Agriculture and Rural Development (MARD) said the country's agriculture sector had made significant progress in recent decades.

From 2010-20, Viet Nam agriculture maintained a 2.83 per cent annual growth rate on average, accounting for as much as 12 per cent of the entire world's rice export.

Foreign investors have played an important role in the country's success to modernise its agriculture sector by introducing advanced technologies and creating thousands of jobs. However, there was still a lot of untapped potential in the sector.

Trang said during 2009-21, foreign investors only registered under 2,000 projects, just 5.7 per cent of all projects in Viet Nam with \$17.64 billion worth of investment, or 4.3 per cent of total investment.

"For an agriculture-based country such as Viet Nam, the amount of foreign investment in the sector has been, at best, modest," she said.

The vast majority of said projects were from Asian countries, which mostly went to the area surrounding the capital city Ha Noi and the Mekong Delta thanks to relatively developed infrastructure already in place, she added.

In addition, there have been incidents in which foreign projects deliberately took advantage of the numerous free trade agreements signed by Viet Nam to fabricate made-in-Viet Nam products without investing in production within the country.

Dr Nguyen Anh Phong, head of MARD's information centre said in order to bring foreign investment in Viet Nam's agriculture sector to \$34 billion by the end of 2030, there was an urgent need to increase collaboration with large corporations across all

industries in the sectors, especially in technology transfer.

However, it's important to focus on bolstering the domestic supply chains for key input, which Viet Nam traditionally has been overly reliant on import, such as seeds, livestock feed, fertiliser, vaccine, medicine, pesticides, management software, slaughter lines and processing technology.

In an earlier development, MARD put forward a proposal for a number of policy changes to planning larger production centres that employed state-of-the-art equipment, to filter investors to select the most suitable technology and a mechanism to purchase raw material from farmers on a large scale directly.

Cao Tri Cong, deputy-chairman of the Association of Vietnam Timber and Forest Product, said it was high time the country invested in supporting industries to wood manufacturing. The fast-growing industry has been largely reliant on raw material import for decades with little to no meaningful policies that favour domestic suppliers.

Dr Nguyen Anh Tuan, deputy-chairman of Vietnam's Association of Foreign Invested Enterprises, said, however, the proposal must go deeper into finer details such as which industry must be made a priority and where it will be located.

Tuan said to double the amount of foreign investment in the sector from now until the end of 2030, Viet Nam must have a detailed action plan and it must be implemented as soon as possible.

He urged MARD to pay more attention to medicinal herbs, a rising star in recent years among the sector's industries, with still a lot of room to grow and value to be added.

"MARD should consult with local communities to help them form ideas as to which plant and animal they can best produce. In addition, there is a need to build a national database to help with advertising and promotion to attract foreign investment," he said.

He added MARD should make a shortlist of international corporations that are considered suitable and desirable for the central government.

Duong Danh Cong from Agrotrade Vietnam under MARD called for a task force specialising in finding foreign agriculture investors.

"The task force must not only have a deep understanding of the needs of potential investors but also the abilities of local communities to find the right investor for the right region," he said.

## 7. Lao Cai border gates to be fully reopened early next month

Hoang Dang Khoa, chairman of the People's Committee of Lao Cai City, was quoted by the local media as saying that the Hekou side had invited the Vietnamese city's delegation to visit Hekou on December 23 to work on the border gate reopening plan.

At a recent conference introducing the 2023 socioeconomic development and public investment plan of Lao Cai Province, Dang Xuan Phong, secretary of the provincial Party Committee, said the full reopening of the border gates would bring about

significant opportunities in terms of trade and travel for the province.

Lao Cai City has three border gates serving the import-export and daily commutes of the people of the two countries. Besides, there are two other international border gates in other parts of the province, Ban Vuoc and Muong Khuong.

This year, trade revenue through the border gates in Lao Cai reached an estimated US\$2 billion. The northern province set a target turnover of US\$5 billion for 2023.



## Corporate News

### 8. LPB: Notice of interest rate of first bond payment period

↓ -1.49%

Lien Viet Post Joint Stock Commercial Bank announces the interest rate for the first interest payment period of LPB121035 bond as follows:

- Bond name: Lien Viet Post Joint Stock Commercial Bank
- Bond symbol: LPB121035
- Bond type: corporate bond
- Par value: 100,000 VND/bond
- Exchange floor: HNX
- Record date: December 21, 2022
- 1. Reason & purpose: to pay for the first bond interest period from and including December 3, 2021 to but excluding December 30, 2022
- 2. Content:
  - Interest rate: 7.425%/year
  - Exercise ratio: 01 bond will receive 100,000 dongs \* 7.425% \* 365 (days)/365 (days) = 7,425 dongs
  - Payment date: December 30, 2022.

### 9. OGC: OGC changed from transaction restriction status to supervision

↑ 6.89%

The Hochiminh Stock Exchange has issued a decision and an announcement to change the shares of Ocean Group Joint Stock Company (stock code: OGC) from transaction restriction status to supervision status as of **December 14, 2022**.

Reason: The Company overcame the transaction restriction status as prescribed in Provision 5, Article 39, but the Company has not yet met as prescribed in Point đ, Provision 4, Article 38, Regulations on listing and trading of listed securities issued together with Decision No.17/QĐ-HĐTV dated 03/31/2022 by the Vietnam Stock Exchange.

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