



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Benchmark indices ended flat on realty stocks

The stock market slightly changed on Wednesday as losses were cushioned by gains of some stocks, especially in the real estate sector.

The VN-Index on the Ho Chi Minh Stock Exchange (HoSE) was most stable in a choppy session. It ended the day at 1,069.45 points, a decline of only 0.01 points.

The market's benchmark recouped more than 4 points on Tuesday, buoyed by strong gains of realty stocks, after falling for three straight days.

The breadth of the market was neutral, while liquidity increased over the previous session. Of which, the trading value on the southern exchange climbed by 9 per cent to VND12.65 trillion (US\$539.65 million), equal to a trading volume of over 726.1 million shares.

The 30 biggest stocks tracker, VN30-Index, lost 1.02 points, or 0.09 per cent, to 1,080.69 points. In the VN30 basket, 13 stocks increased, while 14 inched lower and three finished flat.

According to statistics, Sabeco (SAB), VPBank (VPB), and Vingroup (VIC) were the top three stocks dominating the bear trend, with all three down in a range of 0.93-2.29 per cent.

Other stocks witnessing poor performances were Vietjet Aviation JSC (VJC) which lost 2.54 per cent, SSI Securities Corporation (SSI), down 2.65 per cent, and Vincom Retail (VRE) fell 1.2 per cent.

The index pared losses on gains in banking and real estate stocks, led by Masan Group (MSN), up 2.05 per cent.

Many realty stocks continued to perform well, cushioning the downtrend. Of which, Novaland (NVM) soared by nearly 6 per cent, Khang Dien House Trading and Investment JSC (KDH) was up 4.74 per cent, Phat Dat Real Estate Development

JSC (PDR) rose by 4.81 per cent, Hadoco (HDC) was up 4.83 per cent, while Hodeco (HDC) hit the biggest intra-day gain of 7 per cent.

Analysts from Saigon-Hanoi Securities JSC said that the medium and long-term trend of the market had not changed significantly, and the VN-Index is still recovering after hitting bottom last November. However, the current recovery phase is gradually creating a tight accumulation platform.

Meanwhile, the current state of the macro events is very unpredictable as the global economy continues to be unpredictable amid the complexity of inflation and geopolitical situations.

"Therefore, we believe that the current cumulative trend of the stock market will continue before the market can create a really strong uptrend," SHS said.

With the outlook, the securities firm recommended that short-term investors take advantage of the ongoing correction sessions to increase the proportion of portfolio stocks. SHS still expects the market benchmark to head towards the area of 1,150 points.

On the Ha Noi Stock Exchange (HNX), the HNX-Index also edged lower at 211.94 points, down 0.4 points, or 0.19 per cent.

During the session, more than VND1.3 trillion worth of shares, equivalent to a trading volume of 96.6 million shares, was traded on HNX.

Foreign investors flew away from the market on Wednesday as they net sold more than VND342 billion on both main bourses. Of which, they net sold nearly VND342 billion on HoSE and VND62.14 million on HNX.

## Macro & Policies

### 2. Seaports missing out on fee windfalls

A group of organisations, including representatives of ship agents and seaport associations, last week proposed that authorised agencies adjust the price for container handling services and the terminal handling charge (THC) to be closer to the average price in the region.

According to the Vietnam Maritime Administration (VMA), the price of Vietnam's seaport services is much lower than in the rest of the region, damaging the nation's maritime economy.

"Vietnam's seaport system needs large financial resources to reinvest and build larger and more modern seaports to improve capabilities and lure more regional transshipment goods," said a representative of the VMA.

The associations suggested a minimum annual adjustment of 15-20 per cent, and a minimum three-year roadmap, starting from mid-2023, prioritising deepwater ports in Vietnam.

In their estimation, with this change it would take 4-5 years for the loading price of deepwater areas in Vietnam to reach the average price of the region.

At present, the loading fees are stipulated in Circular No.54/2018/TT-BGTVT on the charging for pilotage, wharf, dock, and mooring buoy utilisation, container handling, and towage services at Vietnamese ports.

Pham Quoc Long, chairman of the Vietnam Ship Agents Brokers and Maritime Services Providers Association, said the proposed increase was based on specific calculations.

"To compensate for the five-year price slippage from 2019 to now as well as high costs in the past, the Vietnamese container handling price needs to be adjusted up by at least 15 per cent," said Long.

He added that when building ports, many determined a loading price of about \$75-80 per 20-foot container to break even.

"At the same time, Vietnam's container loading price is currently only half that of the region, while the investment and development of ports is almost the same," he said

However, the proposed price is only the price of loading the container between ships and ports and not an adjustment of the price of lifting and lowering containers or vehicles at the port, because this is not stipulated in Circular 54.

"Currently, Lach Huyen and Cai Mep area ports are applying ceiling prices, but still lower than global prices and not enough for ports to turn a profit," Long said.

In May 2022, the Cai Mep port cluster was ranked 11th out of the 370 best container ports in the world by the World Bank and S&P Global Market Intelligence.

"With the loading price only 40-50 per cent compared to the region, if the container throughput through the Vietnamese port system is about 25 million TEU (20-foot equivalent unit) per year, Vietnam loses about \$1 billion per year," said Pham Thi Ngoc Thuy, head of Private Economic Development Research under the Advisory Council for Administrative Procedure Reform.

Shipping lines collect a THC surcharge at the rate of \$114-140 per TEU, but only pay \$33 to the port in Haiphong, \$40 in Ho Chi Minh City, and \$52 at Cai Mep and Lach Huyen ports, which are the cheapest fees in Southeast Asia. Currently, seaport enterprises in Cambodia charge up to \$90, while Singapore charges \$115 per container.

Foreign shipping lines enjoy a cheap loading fee, by paying about 30 per cent of THC to Vietnam seaports. While according to international practices and conventions, 80 per cent of THC collected by foreign shipping lines from import-export owners is used to pay the port to cover the costs directly related to loading.

During the pandemic, although the loading price did not change, the freight rate increased 10-fold due to the lack of empty containers, and congestion at ports. More recently, freight rates slid back to the previous level according to market supply and demand.

“Moreover, the cost of price components has soared sharply over five years and the prices for loading containers regulated at present are no longer relevant,” Thuy added.

The adjustment is considered urgent for the Cai Mep deepwater port area, where more than 90 per cent of the output is transported by barge to Ho Chi Minh City, Binh Duong, and Dong Nai at a very low price of loading onto barges of \$6 per TEU.

At a previous meeting with Vietnam Maritime Corporation on amending Circular 54, Minister of Transport Nguyen Van Thang asked businesses to work with related authorities and organisations in order to evaluate the impact of increasing these prices and fees on the consumer price index, and other local and foreign enterprises.

Vietnam currently has a modern seaport system, meeting the import and export needs of the economy. The list includes 34 seaports, including two special-class ports, 11 seaports of first-class,

seven seaports of second-class, and 14 seaports of third-class.

Cargo capacity is also improving, receiving more ships with larger tonnage. Vietnamese seaports in Haiphong, Ho Chi Minh City, and Ba Ria-Vung Tau are in the top 50 ports with the largest cargo throughput in the world. Gateway ports such as Lach Huyen (Haiphong), and Cai Mep (Ba Ria-Vung Tau) can receive the largest container ships in the world, up to over 200,000 DWT.

The total volume of goods transported through Vietnam's seaports in 2022 was estimated at 733.18 million tonnes, up 4 per cent on-year. In which, exports reached 179.07 million tonnes, down 3 per cent; imported goods 209.26 million tonnes, down 2 per cent; and domestic cargo 342.79 million tonnes, up 12 per cent on-year.

In particular, the volume of container cargo through seaports last year was estimated at 25.09 million TEU, up 5 per cent on-year. The high growth of transport routes to China, Japan, South Korea, Southeast Asia, and Europe along with high sea freight rates in 2022 contributed to many Vietnamese shipping enterprises' high increase in revenues and profit.

### 3. Ministry asks insurance companies to review processes, conduct

The supervisory authority said it had received numerous negative feedback from the public over poor insurance consultation, poor transparency and presentation of insurance products.

It demanded insurance agencies immediately take measures to provide clients with complete and accurate information and review the quality of their agents' consultation and sales techniques.

It stressed that agents' violations would be dealt with, and their agencies would bear part of the responsibility if said agents acted on the agencies' behalf.

Meanwhile, the ministry proposed agencies to review and improve customer service quality,

business operations, internal regulations and risk management to ensure they are all in compliance with current regulations.

In an earlier development, a Vietnamese actress live-streamed her grievances over her family's insurance policy and attracted a large amount of attention from the public.

The actress said she bought the policy from Aviva JSC, which was later acquired by MVI Life, and was shocked to find out clauses that she was not aware of previously.

MVI Life said they had been in contact with both the actress and her lawyer to work out the details of her policy.

The insurance company said all clients' rights and benefits were guaranteed after Aviva's acquisition, and the company adjusted the actress's policy after she requested them.

The Ministry of Finance later issued a demand to MVI Life, requesting the agency to review the entire contract it has provided the actress, the disclosure of information during the process and its customer service quality.

MVI Life has been told to review how agents present products and consult clients and the information they provide.

If its agents were found to have violated insurance sales regulations, the agency would be held responsible.

The ministry said it expected a report from MVI Life shortly.

#### 4. Amending legal documents to better control drug prices

In recent years, the consumer price index (CPI) over the same period last year of drugs and medical services increased at a low rate and much lower than the general CPI.

Through bidding, centralised bidding, and drug price negotiation, money is saved for the health insurance fund. According to a report from the National Centre for Centralised Drug Procurement, in 2022, the total value of winning drugs bids decreased by 17.98 per cent (a decrease of \$61.74 million compared to the planned price), helping control drug prices at health facilities closely and consistently among localities. Some drug prices are consistent across the country.

The price of brand-name drugs in Vietnam is among the lowest in ASEAN in almost all major therapeutic drug groups.

For example, the cardiovascular drug group is 90 per cent lower than Indonesia and 146 per cent lower than Thailand. For drugs for cancer treatment, it is 76 per cent lower than Thailand and around 50 per cent lower than both Indonesia and the Philippines.

The proportion of using brand-name drugs at health facilities in Vietnam is 11 per cent, lower than Malaysia (36 per cent), Thailand (21 per cent), and the Philippines (21 per cent), according to the IQVIA MIDAS data.

On the other hand, the implementation of preferential regulations in drug purchase in the Law on Public Procurement and a 2019 circular has helped increase the rate of domestic drug use at health establishments year-by-year, and this rate is

higher at provincial and district-level health facilities.

Through preliminary review and following the process of receiving, reviewing, and announcing on the online public service system, declared drug prices are controlled, and there is no sudden price increase.

Declared drug prices and winning drug bids at medical facilities are publicly announced on the website of the Drug Administration of Vietnam under the Ministry of Health (MoH) as reference for units in the process of formulating planned prices in their contractor selection plans. Specifically, the total number of drugs with declared prices announced by the end of 2022 was 65,452, an increase of 5,980 compared to 2019.

The MoH will implement some measures to manage drug prices on the basis of respecting the right of enterprises to self-price. It is also based on competition of organisations and individuals trading drugs under the market mechanism, according to the provisions of law, and protection of the legitimate rights and interests of organisations, individual businesses, and consumers.

The MoH will amend and supplement legal documents related to drug price management to overcome inadequacies and to suit the actual situation. It also proposes amendments of the provisions of the LoP towards focusing on drug price management (declaring and re-declaring prices) for branded drugs, referenced biological products, and drugs with little competition or at risk of monopoly.

It will also continue to implement synchronously drug price management measures specified in the

pharmacy law on declaring prices, bidding, and listing and publicising drug price information.

## 5. Tra fish by-products to become huge money earner: Experts

Statistics showed that each year, aquaculture provides 4.5-5 million tonnes of materials for aquatic processing. In the tra fish sector, 60-70% of the materials for tra fish fillet processing become by-products.

Tran Dinh Luan, Director of the Directorate of Fisheries, said by-products, including include head, bones, fin, skin and organs, are a source of materials that can promote the added value for the tra fish sector if they are optimised.

For example, raw tra fish skin is often sold at 3,000 VND (0.13 USD) per kilo. However, the price of collagen and gelatine made from it is 1,000 times higher, at about 3 million VND per kilo, said Doan Toi, General Director of Nam Viet Corporation (Navico).

Toi said that in early April, Navico and its partner from the Republic of Korea launched a 7-million-USD factory producing collagen and gelatine from fish skin, with a capacity of processing 780 tonnes of materials per year. In the second and third phase, the factory's capacity is scheduled to reach 1,200 and 2,400 tonnes per year, he said.

This is the first factory that can produce collagen peptide in Vietnam. Navico expects 1.5 million USD of profit in the first phase. By now, the factory has received orders from 15 customers.

Like Navico, Vinh Hoan Corporation in the Mekong Delta province of Dong Thap has also engaged in collagen and gelatin production from fish skin, which has contributed 10% to the overall profit of the company.

Meanwhile, the Asia Fish Oil Corporation in Dong Thap province has successfully produce fish oil from tra fish fats with a capacity of processing 400 tonnes of materials.

At the same time, the firm has also processed other by-products from tra fish into organic fertilisers and animal feed.

Directorate of Fisheries head Luan advised businesses to invest more in technology, enhancing the economic efficiency in processing products with high added values, while making full use of the Government's policies to encourage the development of processing sector, heading to a circular economy in the fisheries sector.

Huynh Minh Tuan, Vice Chairman of the People's Committee of Dong Thap, said that the locality always encourages local firms to renovate their tra fish processing towards higher added value, aiming to make the most of the by-products and contributing to the growth of this billion-USD sector.

Data from the Vietnam Association of Seafood Exporters and Producers (VASEP) showed that in the first two months of this year, revenue from seafood export topped 1.1 billion USD, down 26% year on year, with tra fish exports dropping 38% to 240 million USD.

However, tra fish industry will have to overcome difficulties and become profitable again in the third quarter of this year as demand is likely to recover from the third quarter as festive events in year-end are coming and the Chinese market is opening.

## 6. Deputy PM urges expediting Long Thanh Airport project

Ha spoke during a meeting on the progress of essential works at the Long Thanh International

Airport, including the construction and installation of equipment for the passenger terminal (Package 5.10) and site clearance for the project.

Vu The Phiet, General Director of the Airports Corporation of Vietnam (ACV) - the project's main investor - reported that the unit had revised and adjusted the bidding documents based on the contractors' proposals and provisions of Vietnamese law and international practices.

Representatives of ministries and sectors provided input on selecting general contractors and subcontractors with sufficient capacity and experience to ensure project progress, quality and efficiency.

They also discussed the bidding package's criteria, technical standards, construction time and other aspects.

The Committee for the Management of State Capital at Enterprises would strengthen and consolidate the capacity of the ACV's Project Management Board in the coming months. The ACV would also strictly implement the Prime Minister's direction on mobilising international experts to consult and support the coordination, supervision, and management of the entire project.

Regarding site clearance, Chairman of the Dong Nai Provincial People's Committee Cao Tien Dung reported that there was only one household that

still needed to relocate for the first 1,810-hectare phase.

This phase's site clearance will be completed on April 20.

The province would complete the site clearance on the area of 722 hectares for land storage on May 15.

The provincial leaders reported on the clearance progress of two traffic routes connecting No.1 and No.2 and planned to hand over the ground before next June to serve the organisation of peak construction works.

They also recommended the investor soon build a fence on the entire 5,000 ha to serve security work and perform ground levelling to prevent red dust pollution when the airport is put into operation after the first phase is completed.

Deputy PM Ha praised Dong Nai province for its progress in site clearance work. He urged the ACV and construction units to prevent red dust pollution on the construction site, propose a plan for levelling and greening the reserve land area, and complete the Long Thanh Airport project area fence.

The meeting also included a report on the progress of project items such as airport infrastructure, connecting traffic routes, auxiliary works, pile foundations of passenger terminals, and levelling and drainage."

## 7. Interest persists in industrial property

In the first two months of 2023, more than \$900 million was poured into three industrial areas in Bac Giang province.

China's Yadea Group registered to invest \$100 million in a factory to manufacture and assemble electric motorcycles with an expected capacity of about 2 million vehicles per year in Tan Hung Industrial Park (IP). Covering 23.2 hectares, the

project will be implemented in the second quarter of 2023.

The Fulian Precision Technology Factory by Singaporean group Ingrasys, located in Quang Chau IP, is expected to be put into operation at the end of 2023. The almost 50-ha scheme will manufacture electronic components, computers, and high-tech communications equipment.

Further, Chinese firm Hainan Longi Green Energy Technology has funded a solar panel manufacturing plant at Hoa Phu IP in Hiep Hoa district. The construction started in Q1.

According to Phan Xuan Can, chairman of Sohovietnam, there have been many orders from investors for industrial real estate.

“There are currently millions of dollars ready to invest in industrial park real estate. This partly confirms the attractiveness of this segment, which is considered as a golden field as the rental price has continuously maintained an upward trend in recent years,” Can said.

Meanwhile, dozens of American company representatives were in Vietnam last month for the likes of Boeing, SpaceX, Netflix, and Apple in hopes of pushing further into the fast-growing Vietnamese economy.

According to the US-ASEAN Business Council, American companies are witnessing the trend of continuing to expand their production centres and global supply chains in Vietnam in semiconductors, fast-moving consumer goods, toys, furniture, food and beverages, the digital economy, banking and financial services, and healthcare.

Can added that many foreign investors are looking for opportunities to penetrate deeper into the Vietnamese real estate market, especially in the industrial and commercial real estate segment. In the current expensive period, this is a great advantage of foreign investors, known as a strong and powerful group in finance.

“In the normal context, the domestic sector usually dominates because they understand domestic business practices. However, in the current expensive loans period, many investors have difficulties in cash flow, and this is an opportunity for foreign investors thanks to the advantage of cheap capital flow, with interest rates in many host countries still low,” Can said.

Real estate still ranks second among industries with the largest amount of foreign investment with total capital in the first three months of the year reaching

\$766 million, accounting for nearly 14.1 per cent of total registered investment capital and down 71.6 per cent over the same period.

Despite the belief that such investment in 2023 will slow down due to the economic recession, many experts estimate that the industrial real estate market in Vietnam can maintain demand from investors thanks to the advantages in terms of labour, population, infrastructure development, and incentives for foreign investors, as well as the government's efforts in maintaining macroeconomic stability.

According to John Campbell, head of Industrial Services at Savills Vietnam, the nation's real estate market is benefiting from a stable exchange rate and attractive corporate tax rates.

“Faced with the fact that multinational companies are still looking to diversify their areas of operation or relocate out of China, the Vietnamese industrial real estate market is a bright spot in creating strong conditions for investment attraction,” Campbell said.

“In addition to experienced investors from South Korea, Japan, China, and elsewhere, the market also needs to attract the participation of multinational corporations from America and Europe,” Campbell added.

According to SSI Securities Corporation, demand for industrial park land rental in Vietnam will grow strongly from the second quarter of 2023, thanks to policies promoting a return to investing in the Southeast Asian country.

Due to short supply this year, forecasts from SSI show that rental prices are expected to continue to rise by an average of 8-20 per cent on-year, depending on the region. Last year, industrial real estate rents rose by an average of 10 per cent due to high demand.

Figures from the Ministry of Planning and Investment released that up to the end of 2022, there were almost 400 industrial zones with a total land area of nearly 123,000ha nationwide; of those, 292 IZs are currently operational.



## Corporate News

### 8. GIL: Approved the contents of AGM 2023

↑ 6.88%

On April 07, 2023, the BOD of Binh Thanh Import Export Production and Trade Joint Stock Company approved the contents to be submitted to the Annual General Meeting 2023:

- Report on the business result in 2022 and the business plan in 2023.
- Audited financial statements in 2023.
- Report of the Board of Directors.
- Report of the Supervisory Board.
- Proposal to approve the selection of the auditor for the financial statements in 2023.
- Proposal to approve the 2022 profit allocation and profit distribution plan in 2023.
- Proposal to approve the remuneration of the Board of Directors, Supervisory Board in 2022 and plan for 2023.
- Proposal to personnel change.
- Other issues (if any).

### 9. VIC: VinES, Li-Cycle plug in to battery recycling in Vietnam

↓ -0.93%

Under the terms of the agreement, from 2024, Li-Cycle will become VinES' strategic and preferred recycling partner for VinES' Vietnamese-sourced battery materials.

The company is considering the possibility of constructing a specialised battery recycling factory (Spoke) located close to VinES' manufacturing site in central Ha Tinh province.

The potential Spoke has the opportunity to benefit from the growing local demand for lithium-ion battery recycling solutions, driven by strong economic growth and an increasing manufacturing presence in Vietnam.

An investment decision regarding the dedicated Spoke facility is expected to be made in 2025. In the meantime, Li-Cycle will facilitate the processing of VinES' material utilising Li-Cycle's North American Spoke network.

Pham Thuy Linh, CEO of VinES, said that recycling battery production scrap and used batteries into

the global mobility and energy storage industries can contribute to the building of a sustainable supply chain while reducing environmental impact.

Tim Johnston, Co-founder and Executive Chair of Li-Cycle, said that the agreement supports the firms' shared goals of creating a sustainable and a closed-loop battery supply chain.

To build on a partnership first announced in October 2022, VinES and Li-Cycle will also continue to explore global recycling solutions for VinFast, the first global electric vehicle (EV) manufacturer in Vietnam and Southeast Asia.

Earlier, VinES has recently commissioned a lithium-ion battery cell manufacturing facility in Hai Phong, Vietnam, and expects to further expand its production capacity in the country.

Li-Cycle opened an office in Singapore in December 2022 to support its connectivity to the Asia market and its efforts to continue building and expanding its commercial relationships with Asia-based manufacturer.

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