



VIETNAM DAILY NEWS



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Market Analysis

1. Shares end the week in the red on selling pressure

The Vietnamese stock market ended the week on a negative note due to a sudden surge in selling pressure, particularly in the real estate sector.

On the Ho Chi Minh Stock Exchange, the VN-Index decreased for a third day in a row, down 1.07 per cent to close Friday at 1,052.89 points. The southern market's index had lost 1.5 per cent this week.

On the Ha Noi Stock Exchange, the HNX-Index also closed at its lowest points of the day, down 1.23 per cent to 207.25 points.

The market breadth was negative with 423 shares losing value on both exchanges, only 152 gaining and 243 closing flat.

The banking sector's largest loser was Techcombank (TCB) with a 4.3 per cent drop, while BIDV (BID), Vietinbank (CTG) and Military Bank (MBB) all fell over 1 per cent.

Meanwhile, the rubber industry witnessed the most significant decline, with the industry's average decrease of 3.13 per cent, according to data on vietstock.vn. Da Nang Rubber (DRC) fell nearly 4 per cent, Sao Vang Rubber (SRC) decreased by 4.5 per cent and The Southern Rubber (CSM) dropped by 1.4 per cent.

The real estate industry also experienced a steep decline, with numerous stocks falling to the floor, such as Kinh Bac City Development Holding (KBC),

Becamex Infrastructure Development (IJC), Binh Duong Trade and Development (TDC), Sai Gon Thuong Tin Real Estate (SCR), Tu Liem Urban Development (NTL), Ba Ria Vung Tau House Development (HDC), Dat Xanh Group (DXG) and Development Investment Group (DIG).

Despite the downtrend, liquidity increased in both volume and value, totaling nearly 899 million shares worth VND14.9 trillion (US\$632 million) being traded in the two markets. This represented increases of 18 per cent in volume and 17 per cent in value compared to the previous session.

According to Viet Dragon Securities, it is expected that at the support level of 1,060 points of the VN-Index, the market can still receive support to balance in the next session.

“At the same time, the market's exploration will continue in the near future before there are more specific signals,” Phuong Nguyen, a market analyst at Viet Dragon Securities Co., wrote in a note.

Phuong suggested investors observe supply and demand movements and avoid overbought status, while at the same time taking advantage of the market's recovery to take short-term profits and minimise risks for the portfolio.

Foreign investors remained net sellers, offloading shares worth a net sell value of nearly VND232 billion, marking their seventh consecutive net selling session.

Macro & Policies

2. IMF expert considers Vietnam bright spot in world economy

In an interview granted for the Vietnam News Agency during the week of Spring Meetings of the IMF and the WB in Washington DC, Leigh said the IMF have just revised up the growth forecast for Vietnam, adding that this is partly due to the rebound from COVID-19 and trade diversion. Some of the investment is shifting to Vietnam, giving the country a lift, said the expert.

Although the IMF expected a slowdown in Vietnam's growth, the projected rate is still high, at 5.8% in 2023 and 6.9% in 2024, he said.

He also noted that inflation in Vietnam is relatively low, at over 3% in 2022. It is coming up – partly because of the dynamic economy – and is expected

to be back to the world inflation target, at around 4.3% in 2024.

For Vietnam to continue to grow strongly in the remaining quarters of this year and the next five years, Leigh recommended that the country's monetary policy continue to focus on bringing down inflation as it happens, and fiscal policy continue giving the targeted support to the vulnerable households.

Regarding financial stability, a priority should be given to helping stabilise the real estate and corporate bond markets with specific tools, but this should not distract from the overall move toward inflation stability, he suggested.

3. Binh Duong's first net-zero industrial cluster to be built

Within the framework of the signing ceremony, a representative of the SEP group introduced carbon neutralisation technology that will be applied at Tam Lap 2 industrial cluster in Phu Giao district. Accordingly, solar energy will be used, waste and wastewater treatment systems built and industrial waste recycled in the cluster.

Construction of the 180-ha project is expected to begin at the end of this year with an investment capital of about 200 million USD.

Tam Lap 2 will be developed based on the carbon-neutral model piloted at Banwol-Sihwa Industrial Complex in the RoK. Once completed, it will welcome about 20 member companies of SEP to invest here.

Binh Duong province is calling for foreign investment in environment-friendly projects. In February this year, Becamex IDC Corporation and Singapore-based Sembcorp Development Ltd signed an agreement under which both sides will develop five green- and smart-oriented industrial parks in Vietnam in the next three years, some of which will be located in Binh Duong.

Currently, the third Vietnam-Singapore Industrial Park (VSIP III) in Binh Duong is being built in line with the criteria of a green industrial park.

Denmark-based LEGO group has decided to build its first carbon-neutral factory in VSIP III with an investment capital of 1.3 billion USD. The plant is expected to become operational by 2024, creating 4,000 jobs for local people within the next 15 years.

4. Enterprises given support in digital transformation

Digital transformation is believed to help enterprises improve their production and business

efficiency, expand markets, cut costs, and adapt to the new context of the digital economy.

The Enterprise Development Agency under the Ministry of Planning and Investment (MPI), in collaboration with the United States Agency for International Development (USAID), has carried out a project entitled 'Promoting the reformation and enhancing the connectivity of small and medium enterprises'.

It focuses on creating tools and guidelines, implementing activities to raise awareness of digital transformation and training digital transformation for enterprises in a methodical way during the period of 2021-2025.

More than 200 applications from enterprises in different fields, such as mechanical engineering, electronics, agriculture and agricultural product processing, wood processing and furniture products, were submitted to the project in September 2022.

Among them, the most suitable 50 that met the project's requirements have been selected.

Experts came to survey, evaluate, and provide in-depth advice on digital transformation at each enterprise.

In three months, the experts have, step by step, helped enterprises build up their direction and roadmap to invest in digital transformation in the next few years and also supported them during their digital transformation processes.

In a recent review by the MPI, the digital transformation roadmap package for enterprises was appreciated for its successful implementation, helping businesses determine the right direction, saving time, costs, and resources, and improving their competitiveness.

These digital transformation pioneers are expected to inspire other enterprises to be more confident and motivated, and to make use of good lessons learned to carry out their own digital transformation.

A representative of Na No Chemical Technology Co., Ltd said: "With the support of the Government, we will be able to carry out the digital transformation journey efficiently and quickly. We also hope that

our journey will be closely supervised by the Government and ministries and relevant agencies to implement this long-term digital transformation roadmap successfully."

Meanwhile, a representative from Aqua Mina Co., Ltd shared: "The Government's follow-up support in consulting and training is very important for us to implement the digital transformation roadmap. We also hope that the Government will issue the necessary regulations and guidance to assist us in this transition."

According to a representative from Tien Think Trading Service-Production Co., Ltd, the project has not only helped to standardise production processes and corporate governance but also comprehensively changed the company's culture, opening up new ways to solve problems in organisation, production, and sales.

The manager of Lien Vinh Production and Trade Joint Stock Company said that the support of the state would help solve the problems they were facing, such as the decrease in orders, while the standards of major partners abroad are increasing.

In January 2021, the MPI issued and implemented the 'Promoting the reformation and enhancing the connectivity of small and medium enterprises' project for the 2021-2025 term.

In the early period, the project achieved positive results such as over two million visits to its website's instructional materials, training videos, and experience sharing about digital transformation. About 1,500 enterprises self-assessed to be ready for digital transformation, and over 10,000 enterprises in 40 localities were trained directly about digital transformation.

According to the Enterprise Development Agency's 2022 report, in the 1,000 surveyed enterprises, the number of enterprises doing digital transformation increased, and many maintained budgets for this activity.

In 2021, enterprises were only at the first steps of learning, researching, and consulting information to prepare for the implementation of digital transformation.

5. Six product groups enjoy over 1-billion-USD exports to US in Q1

The group of computers, electronic products and components came second with 3.55 billion USD, followed by garment and textile products 3.04 billion USD, telephones and components 2.34 billion USD, footwear 1.42 billion USD, and wood and wooden furniture nearly 1.4 billion USD.

The department reported that in March, export revenue generated from the US market was 7.75 billion USD, pushing the total in the first three months of this year to 20.76 billion USD, making the US as the largest export market of Vietnam.

At the same time, Vietnam imported over 3 billion USD worth of goods from the US, down about 12%

year on year, mostly computers, electronic products and components.

As a result, in the first quarter of this year, Vietnam enjoyed a trade surplus of 17.7 billion USD with the US.

Experts held that in the second quarter, many sectors such as textiles, footwear, and especially wooden furniture will face various challenges in the market due to lower demands as a result of inflation and economic crisis.

Last year, two-way trade reached 123.8 billion USD, with Vietnam's exports of over 109 billion USD.

6. Hanoi moves to help firms join foreign distribution systems

This project aims to build a close strategic cooperation relationship between Hanoi's manufacturing and exporting enterprises and foreign distribution networks, on both traditional export and e-commerce channels, towards a stable and sustainable production - export - distribution model.

To accomplish these goals, Hanoi will direct relevant units, departments, and branches to provide market information for 5,000 businesses, and training for 1,000 ones to improve their competitiveness and supply capacity to gradually participate in the global value chain; support 300 firms in participating in cross-border e-commerce; and help more than 500 products to be exported directly to foreign distribution networks.

Over the past time, through many foreign retail groups, Vietnamese goods have been present more and more in supermarkets and shops around the world.

Every year, many kinds of products of Vietnam in general and Hanoi in particular are put up for sale at Aeon supermarkets and retail stores across

Japan through the "Vietnamese Goods Week" programme.

Besides traditional and typical products such as instant noodles, rice paper, spices, coffee, garment and textiles and footwear, Vietnamese fruits and agricultural products have also gradually reached the hands of Japanese consumers. Through this programme, many products have been imported by the Aeon Group and offered at hundreds of its supermarkets, contributing to realising the goal of 1 billion USD in the export turnover of Vietnamese goods through Aeon's system by 2025.

Similarly, Central Retail, one of the largest retail platforms in Southeast Asia, has regularly organised a "Vietnamese Goods Week" programme in Thailand.

The group has also pledged to support Vietnamese enterprises in seeking partners and bringing Vietnamese goods to its retail systems in Thailand and Italy.

In addition, the export trend through distribution systems based on e-commerce platforms is also

being considered as an effective solution helping businesses gradually participate in the global supply chain. In 2022, the Hanoi Department of Industry and Trade organised a workshop titled “Cross-border e-commerce with Amazon - Export opportunities for Vietnamese enterprises”, in which more than 500 businesses were guided to access Amazon.

Do Hong Hanh, strategic partner director of Amazon Global Selling Vietnam, said that over recent years, the number of Vietnamese sellers has been increasing on this e-commerce platform. In the coming time, Amazon Global Selling will strongly support Vietnamese businesses to grasp market information, improve the quality of human resources, and gradually build up brands for Vietnamese goods in the world market.

7. PM offers solutions to promote fishery, forestry industries

Prime Minister Pham Minh Chinh has asked for efforts to be enhanced to remove any difficulties and promote the production and export of forestry and fishery products.

His request comes as the industries saw a slowdown in the first quarter of this year.

PM Chinh was speaking at the conference with Viet Nam Timber and Forest Products Association (Viforest) and Viet Nam Association of Seafood Exporters and Producers (Vasep) held on Thursday, aiming to remove difficulties for the industries which bring more than US\$10 billion in trade surplus each year, and raise measures for development.

Statistics from the Ministry of Agriculture and Rural Development showed that the timber and forestry industry set the goal of achieving an export revenue of \$17.5 billion this year, after registering \$17.1 billion in 2022. The fishery sector aimed to earn an export revenue of \$10 billion in 2023 after posting an increase of 23.8 per cent to reach \$11 billion in 2022.

However, in the first quarter of this year, the total trade value of agroforestry–fishery products dropped by 11.2 per cent over the same period last year to \$20.63 billion. Of the figure, export was at \$11.19 billion, down 14.4 per cent and import at \$9.44 billion, down 7.2 per cent. The sector ran a trade surplus of \$1.76 billion in the quarter, down 39.6 per cent.

The export of timber and forestry products saw a significant drop of 28 per cent, and fishery products

27 per cent. Exports to major markets also slumped, such as a decline of 37 per cent in timber to the US and nearly 50 per cent in seafood.

The number of orders also dropped, forcing producers to switch to short-time work, affecting production, business and the lives of nearly 10 million labourers.

Chinh pointed out that as the prolonged impacts of the COVID-19 pandemic, the export market was narrowed due to falling demand, increasingly fierce competition between major economies, fluctuating prices of commodities and adjustments in macro-economic management policies.

The forestry and fishery industries still faced a number of difficulties including heavy reliance on imported raw materials, complicated developments of trade disputes, falling consumption demand in major markets like the US, EU and Japan, importers sourcing from more diverse markets and changes in policies of countries, he said.

He asked the focus to be placed on removing difficulties in markets, institutions, and credit for the production, processing and export of forestry and fishery products. The industry must switch to sustainable, multi-valued integrated production, enhancing competitiveness associated with developing the processing and preservation industries.

Priorities must be on ensuring food safety, protecting the ecological environment and encouraging the development of green, organic and circular agriculture.

PM Chinh stressed that the production must be based on the market demand and regional competitiveness to develop a technology and innovation-driven value chain.

He urged attention to trade defence instruments with international commitments and the established laws of Viet Nam, which was the key to protecting the domestic industry and creating conditions for expanding the markets in a rapid but sustainable way.

At the conference, the PM asked ministries and localities to remove difficulties for enterprises, make effort to diversify markets, establish supply chains, cut costs and simplify procedures.

A close watch must be placed on the market developments, internationally and regionally, and adjustments in policies of countries to have analysis and forecasts and develop prompt response plans.

While the export market was shrinking, enterprises should take advantage of the domestic market with a population of 100 million, he said.

He also urged enterprises to effectively take advantage of trade agreements to expand the market, strengthening digital transformation and innovation to create breakthroughs.

For the timber industry, he urged the focus to be on developing the raw material areas with sustainable forest management certificates.

For the fishery, the PM asked the Ministry of Agriculture and Rural Development to research and raise solutions to overcome the EU's IUU yellow card and expand export markets.

Policies for the development of the industries must be completed, including policies related to origin traceability, he asked. Policies should be raised to attract private investment and strengthen public-private partnership to modernise the sectors.

The Ministry of Finance was in charge of raising support in terms of tax exemption, reductions, and deferrals for 2023.

The Ministry of Industry and Trade would boost trade promotion programmes to expand markets and support enterprises in dealing with trade defence lawsuits.

According to Vietforest, the Government should consider the establishment of exhibition centres of regional and international scale in Ha Noi and Da Nang. The existing ones in HCM City were still of small scale.

Fishery and forestry were important industries of Viet Nam. Viet Nam's fishery products were exported to more than 170 countries and territories, making Viet Nam among the top seafood exporters in the world.

Timber and forestry products were among the top 10 export products of Viet Nam with an average export value of around \$11 billion per year.

Corporate News

8. VIC: First electric taxi service launched in Hanoi

↓ -0.19%

All EVs in GSM's fleet are produced by VinFast, a member of the Vietnamese conglomerate Vingroup.

The firm provides two kinds of service, the standard GreenCar using VinFast VF e34 model, and the high-end s LuxuryCar using VinFast VF 8.

Initially, GSM's EV fleet comprises 500 VF e34 cars and 100 VF 8 cars in Hanoi. In the future, it will add VinFast VF 5 Plus model to its GreenCar fleet.

Addressing the launching ceremony, Nguyen Manh Quyen, Vice Chairman of the People's Committee of Hanoi, said that taxi service using EVs is one of the advanced solutions that are expected to benefit the community, contribute to reducing air and noise pollution, while saving energy and reducing costs for users.

The launching of the service demonstrates the city's determination to join hands with local firms

in promoting sustainable transport and contributing to realising Vietnam's commitments to reduce greenhouse gas emissions.

GSM General Director Nguyen Van Thanh highlighted the firm's interest in contributing to the country's climate change response efforts by reducing emissions from transportation vehicles. He said that the firm aims to form a green-smart travel ecosystem across Vietnam.

From April 14, customers can order Xanh SM taxi via its hotline at 19002088 or the Xanh SM taxi application that is available on the App Store and Google Play Store.

From May, customers can call Xanh SM taxi through the BeVinFast service on the multi-service consumer platform Be.

As scheduled, GSM will launch its taxi services in Ho Chi Minh City also in April and will expand to at least five cities and provinces within this year.

9. SAB: 2023 to be lucrative for SABECO

↓ -1.47%

The move means shareholders will receive a new share for every share they already own. Following approval from the State Securities Commission of Vietnam, SABECO's charter capital will increase to VND12.8 trillion (\$546 billion).

In addition, the company is set to increase its 2022 dividend payment from 35 per cent to 50 per cent.

"Last year saw better results and a stronger performance than we saw in 2021 as Vietnam emerged from the lockdowns and strict public health regulations. Furthermore, SABECO has successfully executed a number of marketing and sales initiatives designed to boost brand sales and

reach a wider range of customers," a statement from the firm noted. It has also boosted production efficiency and implemented cost-cutting measures, mitigating the impact of rising input costs.

SABECO is projecting net revenue of VND40.28 trillion (\$1.72 billion) for 2023, an increase of 15 per cent on-year, and an after-tax profit of VND5.78 trillion (\$246 million), up 5 per cent on-year.

The brewer believes that the consumption of sub-premium beverages will continue to expand, despite trends suggesting a transition to lower-income consumer segments could impact its revenue.

SABECO plans to focus its resources on market growth by developing its brand and product range, along with new distribution network strategies and a move towards digitalisation. The expansion of its brewery in Quang Ngai is currently under operation.

Last year, the brewing giant recorded revenues of VND35 trillion (\$1.5 billion), up 32.6 per cent from

2021, while after-tax earnings saw a 40 per cent on-year jump to VND5.5 trillion (\$235 million).

Industry experts believe Vietnam's brewing industry could capitalise on lucrative opportunities this year, thanks to a combination of factors including a golden demographic structure, income growth, promising returns from non-alcoholic beers, and export market potential.

Research Team: Tsugami Shoji *Researcher* jsi@japan-sec.vn

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Japan Securities Co., Ltd – JSI

Address: 14F, TNR Tower, 54A Nguyen Chi Thanh, Lang Thuong, Dong Da, Hanoi

Tel: (024) 3791 1818

Fax: (024) 3791 5805

Email: info@japan-sec.vn

Website: www.japan-sec.vn