



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Shares diverge on growing cautious sentiment

Shares faced difficulty in closing with gains on HCM City's exchange while they failed to do so on Ha Noi's bourse due to growing cautious sentiment and significant divergence among sectors.

On the Ho Chi Minh Stock Exchange, the VN-Index inched up 0.09 per cent to close Monday at 1,053.81 points. The southern bourse's index suffered declines in the last three consecutive sessions last week.

On the Ha Noi Stock Exchange, the HNX-Index dropped 0.3 per cent to end at 206.63 points. The northern bourse's index also decreased in the three previous sessions.

The market breadth was skewed toward sellers with 338 losers and 341 gainers.

In the VN30 basket, which tracks the top 30 shares by market value and liquidity, 14 gained value, 12 lost and four closed flat.

Liquidity also dropped sharply. Nearly 454 million shares worth VND8.1 trillion (US\$343.2 million) were traded, down 42.3 per cent in volume and 39.6 per cent in value compared to Friday's levels.

The similar figures on Ha Noi's bourse were 61 million shares worth VND840 billion, down both 46 per cent in volume and value from the previous session.

Divergence happened in most sectors.

In the banking industry, BIDV (BID), Techcombank (TCB) and Vietinbank (CTG) increased but Military Bank (MBB), VPBank (VPB) and Ho Chi Minh Development Bank (HDB) decreased.

Vingroup (VIC) closed flat, Vinhomes (VHM) inched up 0.6 per cent but Vincom Retail dropped by more than 1 per cent.

Foreign traders returned to net buyers on Monday after seven consecutive net selling streaks. Their buys focused on shares in HCM City with a net buy value of VND207 billion with Hoa Phat Group (HPG) and Phu Nhuan Jewelry (PNJ) leading their portfolio. Meanwhile, the value on Ha Noi's exchange reached VND11.5 billion.

"With the bearish inertia remaining, it is possible that the market will retest the area of 1,040 points of VN-Index. It's expected that this area will have a supportive effect on the index in the short term," Phuong Nguyen, a market analyst at Viet Dragon Securities Co, wrote in a note.

Phuong suggested investors observe the movement of cash flow at the supportive zone in the near future to re-evaluate the status.

## Macro & Policies

### 2. Vietnam's GDP growth forecast to rank second in ASEAN

Notably, Vietnam's public debt is expected to stay at the lowest as compared with eight other ASEAN member countries, the fund said.

The fund also forecast that Vietnam's GDP growth will rebound to 6.9% in 2024, the highest in Southeast Asia, and its public debt will fall to 31.3% of the national GDP in 2028 from the record 47.5% in 2016. The debt-to-GDP ratio in 2028 will be the lowest within two decades.

In terms of inflation, the lender said it will reach 5% and 3% in 2023 and 2024, respectively.

Over the past time, the State Bank of Vietnam (SBV) has constantly cut regulatory interest rates, paving the way for credit institutions to reduce their lending interest rates, thus spurring economic growth, said Dao Minh Tu, deputy governor of the SBV.

Experts described the central bank's reductions as flexible and timely, and expected that 12-month deposit interest rates will hover around 7% and lending interest rates, 10%.

The bank has substantial room to further loosen monetary policy this year, they said, noting that it will continue to cut policy rates by 50 basis points in the second quarter of this year.

Experts from the Bao Viet Securities JSC shared the view that the biggest pressure on interest rates last year came from the US Federal Reserve's continuous rate hikes, making the USD soar to a 20-year high.

Meanwhile, those from the United Overseas Bank (UOB) said the Vietnam's GDP growth of only 3.32% in the first three months of this year, down from 5.92% in the last quarter of 2022, will prompt the central bank to further cut regulatory interest rates, and that the bank is likely to further relax policies in the time ahead.

### 3. PM urges financial support for realty businesses

The Government Office sent a written document to the Ministry of Construction, the SBV and provincial people's committees over the prime minister's guidance on supporting the development of the corporate sector and property businesses.

Prime Minister Pham Minh Chinh assigned the Ministry of Construction to take responsibility for implementing Resolution 33 of the Government on measures to remove hindrances and boost the safe, healthy and sustainable development of the realty market and document 178 of the prime minister on enhancing and helping the sector tackle its woes.

The Ministry of Construction and the SBV were tasked with mapping out detailed plans to eliminate

current bottlenecks, reschedule loan repayment and keep debt classification for property projects.

Earlier, real estate and construction businesses sent a petition to the Government seeking permission for banks to reschedule loan repayment and maintain debt classification with a grace period of 24 months for businesses in construction, construction material trading businesses and investors of property projects, given that these businesses are indebted with banks, suppliers, sub-contractors, staff and tax agencies due to investors' failure to pay.

#### 4. Railway infrastructure projects grab foreign investors' attention

VNRA Deputy General Director Tran Thien Canh said the East Japan Railway Company (JR East), a leading railway operator in Japan, has sent a document to the MoT showing its interest in a project on upgrading the Hanoi - Hai Phong rail route and a railway project linking with the Hai Phong international gateway port.

In June 2022, a JR East delegation had the first working session with the MoT and the Vietnam Railways Corporation and made a fact-finding trip of the Hanoi - Hai Phong rail route.

At a recent meeting with the MoT, Spanish Ambassador to Vietnam Pilar Méndez Jiménez said her country, home to the world's second longest express railway system, wishes to cooperate with the ministry in developing the railway system, including high speed rail (HSR).

Talking to MoT officials at another meeting, a World Bank representative also voiced interest and willingness to work with Vietnam to invest in the North - South express railway project.

The MoT noted the share of rail transport has been shrinking and for many years, there haven't been any new rail routes taking shape.

The strategy for socio-economic development for 2021 - 2030, adopted at the 13th National Party Congress, requested due attention be paid to rail transport development, some sections of the North - South high-speed railway projects carried out, and the construction of urban railways in Hanoi and Ho Chi Minh City sped up.

The railway sector's capital demand by 2030 is estimated at about 240 trillion VND (10.2 billion

USD), including over 46.3 trillion VND for upgrading existing routes, 112.3 trillion VND for building the high-speed railway, and over 80 trillion VND for developing new normal rail routes.

Despite many investors' interest in those projects, some experts pointed out that numerous difficulties are hampering the attraction of private and foreign investment.

Transport expert Nguyen Xuan Thuy held that with clear and transparent mechanisms, it is completely possible to attract private investment, and only when private capital is mobilised effectively can demand for railway infrastructure development be met.

The Vietnam Railway Authority said the biggest barrier to private investment attraction is that infrastructure projects in this field require huge capital while their profit is low. Meanwhile, specialised agencies have yet to issue guidance for the implementation of support mechanisms for investors.

State agencies, railway businesses, and investors are expecting improvements in railway infrastructure development following the Politburo's issuance of Conclusion No 49-KL/TW on February 28, 2023 on orientations for the development of rail transport in Vietnam by 2030, with a vision to 2045.

Minister of Transport Nguyen Van Thang said to develop the railway network for 2021 - 2030, with a vision to 2050, the ministry has proposed increasing medium-term public investment and prioritising major railway projects to enhance transport connectivity and reduce logistics costs during 2021 - 2025.

#### 5. Vietnam extends trade reach with upcoming agreements

From this month onwards, representatives from Vietnam's Ministry of Industry and Trade (MoIT) and other relevant ministries will hold meetings with counterparts in the UAE to negotiate a comprehensive economic partnership agreement (CEPA). It is hoped that the deal will be signed later this year.

Over a week ago, Vietnamese Minister of Industry and Trade Nguyen Hong Dien and UAE Foreign Trade Minister Thani bin Ahmed Al Zeyoudi clinched a ministerial declaration on kicking off negotiations on the CEPA between both economies, soon after Vietnam had completed relevant procedures.

At present, both nations are discussing the draft terms of reference. After being agreed on and adopted by both sides' authorised agencies, the proposals will be officially negotiated. Vietnam has already completed a feasibility study on the agreement.

According to Minister Dien, the CEPA can bring about numerous opportunities for the two economies. "Vietnam is becoming a manufacturing hub for many types of important commodities in the region and the wider world. Meanwhile, the UAE has many strengths as a transshipment port and financial and logistics centre," Dien said. "Thus the CEPA will help enhance the combined strengths of the two sides and create a momentum for growth in their trade and investment ties."

Minister Zeyoudi added that the UAE wants to expand economic ties with Vietnam. "The UAE is Vietnam's number one Arab trade partner, accounting for 39 per cent of its total trade with the Arab countries. The CEPA will help enhance economic and trade ties in unprecedented ways while supporting the private sector's access to both markets. It will also create new investment opportunities, which will result in a higher volume of trade exchanges," he said.

Zeyoudi added that many ministries and sectors in charge of areas such as energy, industry, and logistics services in the UAE are all supporting the negotiations.

"UAE businesses are interested in this agreement because it will provide a new impetus for both nations' economic cooperation and trade relationship based on mutual benefits," Zeyoudi stressed.

According to the MoIT, two-way trade hit nearly \$4.4 billion last year, with Vietnamese exports valued at \$3.84 billion – down nearly 18 per cent on-year, and imports worth \$550 million. Meanwhile, accumulatively as of March 20, Vietnam had 36 UAE valid projects registered at \$71.4 million, reported Vietnam's Ministry of Planning and Investment.

In recent years, Vietnam and the UAE have been boosting cooperation in oil and gas. Vietnam has just suggested that both countries sign a new MoU on energy cooperation and create better conditions for UAE partners to soon work with Vietnam in the oil and gas sector.

It is also suggested that both sides consider a possibility of constructing a centre for transporting and storing crude oil and petrochemical products in Vietnam, which will be provided for Asian markets.

It is also recommended that UAE's oil and gas companies and PetroVietnam boost cooperation in exploring and exploiting oil and gas in Vietnam, exchanging technical skills and expertise, and training high-quality talent. In addition, both nations are also expected to increase cooperation in developing electricity transmission lines in Vietnam.

Meanwhile, in addition to the CEPA, Vietnam is now mulling over clinching a free trade agreement with the Southern Common Market. Commonly known as Mercosur, the South American trade bloc was established in 1991 and its current full members are Argentina, Brazil, Paraguay, and Uruguay.

Under the MoIT's plan, besides taking full advantage of existing 15 trade agreements, Vietnam will also boost negotiations of new deals like the CEPA and with Mercosur in order to expand trade with nations there.

Last year, Mercosur's two-way trade with Vietnam grew 9.2 per cent on-year to over \$12 billion, including more than \$3.3 billion worth of Vietnamese exports, up 3.4 per cent, and imports of \$8.7 billion, up 11.6 per cent.

The South American nations in question are strong in producing and exporting farm produce, animal feed, industrial materials, and natural minerals, while Vietnam's exports to the region include electronics and telecommunications equipment, garments and textiles, and footwear. Thus, Vietnam and Mercosur are complementary in goods structure, and not direct competition. Currently, Mercosur has no preferential trade deal with nations that have goods that directly compete against Vietnam.

Luis Pablo Maria Beltramino, Argentinian Ambassador to Vietnam, told VIR that trade between Argentina and Vietnam "has grown steadily".

"Over the past 10 years, Argentina recorded a cumulative growth in exports to Vietnam of 600 per cent, while exports from Vietnam to Argentina in the same period increased by 700 per cent. This trend

shows both countries have a sustainable relationship in trade,” Beltramino said.

The products that Argentina exports to Vietnam are mainly agricultural goods that are incorporated into Vietnam’s value chain and then exports to other countries, the ambassador added.

“That is why we can say we are de facto strategic partners in agriculture. For its part, Vietnam exports final consumer goods to Argentina such as mobile phones, electronic products and components, textile products, footwear, rubber products, ceramics,

machinery, and industrial spare parts, among others,” he explained.

Beltramino added that he is confident that the commercial relationship between Argentina and Vietnam will continue to grow, especially in the agribusiness sector.

“We also maintain cooperation with Vietnam in terms of technical assistance in agricultural development and innovation, such as technology to improve rice and soybean production, the control of foot-and-mouth disease, and more,” he said.

## 6. Ministry of Transport to complete 260km of North-South Expressway before April 30

The three projects of Mai Son-National Highway No. 45, Vinh Hao-Phan Thiet and Phan Thiet-Dau Giay have a total length of 260km and are part of the North-South Expressway Project.

According to the transport ministry, the project contractors have been urgently finishing up items such as levelling asphalt pavement, installing medians, corrugated iron, anti-glare nets and signposts, and marking roads in order to complete the projects on schedule.

In addition, the ministry regularly inspects the construction sites and urges the units to speed up progress and promptly handle construction delays with the determination to complete this year the other six component projects of National Highway 45 - Nghi Son, Nghi Son-Dien Chau, Dien Chau-Bai Vot, Nha Trang-Cam Lam, Cam Lam-Vinh Hao, My Thuan Bridge 2.

According to the ministry, 12 localities through which the North-South Expressway passes through in the period of 2021-2025 have handed over 579 out of 721,2 km of land, reaching 80.2% of the plan.

Fourteen localities of Ho Chi Minh City, Hanoi, and the provinces of Can Tho, Hung Yen, Bac Ninh, Khanh Hoa, Dak Lak, An Giang, Hau Giang, Soc

Trang, Long An, Dong Nai, Binh Duong and Ba Ria-Vung Tau have completed the works of measurement, calculation and compensation plans for the three highways of Khanh Hoa-Buon Ma Thuot, Bien Hoa-Vung Tau and Chau Doc-Can Tho-Soc Trang, and two ring roads in HCM City and Hanoi.

Hanoi and the provinces of Hung Yen, Ba Ria-Vung Tau and Hau Giang have implemented land handovers and compensation.

The ministry said that although the localities had made strong efforts, ground clearance is still a bottleneck of the projects.

For projects starting construction before June 30, site clearance has been urgently carried out. However, if the approval of plans of compensation is not sped up, the construction of resettlement areas and technical infrastructure will not meet the schedule, the ministry said.

To accelerate the construction of 25 bidding packages for the North-South Expressway in the period of 2021-2025, the ministry requested contractors complete personnel and machinery mobilisation, construction designs, co-ordinate with local authorities to handle procedures for

mining construction materials and dumping sites, and list demands for construction materials as per the project implementation schedule to send to the Ministry of Natural Resources and Environment for allocation.

The transport ministry also recommended that the Government should allow the 12 localities that the expressway runs through to implement the

conversion of forests, forest land and wet rice land for the expressway so as to complete all site clearance work in the second quarter of this year.

Relevant authorities must report to the Ministry of Natural Resources and Environment who will submit their findings to the National Assembly's 6th session at the end of this year.

## 7. Viet Nam's shrimp industry faces many challenges in export this year

Viet Nam's shrimp exports face many challenges, especially in the term of price, said General Secretary of the Viet Nam Association of Seafood Exporters and Producers (VASEP) Truong Dinh Hoe.

In the first quarter of this year, the shrimp export value reduced by 40 per cent on year to \$577 million, according to the association.

Shrimp prices in the world market have gradually decreased since the end of 2022. For instance, at the end of February 2023, the price of Indian shrimp was at VND110,000 (US\$4.53) per kilo.

The prices will continue falling when the global shrimp supply increases to about 6 million tonnes.

Meanwhile, the price of raw shrimp on the domestic market has increased, making it difficult for export processing activities. The shrimp price in the Mekong Delta was nearly VND170,000 per kilo, Hoe said.

Experts said that the farming cost of shrimp is high because feed price accounts for over 65 per cent of the shrimp farming cost under the industrial model.

In addition, most shrimp seeds have to be imported, so the seed price is high. The producers have also spent more on solving the pollution of water farming shrimps.

According to Hoe, in recent years, shrimp seed production management has been loosened without standards and criteria for quality assessment, while shrimp production is still rampant.

Along with that, there is not enough quality shrimp seed to raise, leading to poor-quality shrimp material.

Those are difficulties of the Vietnamese shrimp industry against its competitors such as Ecuador and India.

Dr Tran Huu Loc, a shrimp expert from the Nong Lam University of HCM City, said that shrimp farmers should change their thinking from agricultural production to an agricultural economy.

Now, agriculture production is to produce goods competing with the same products on the global market. Therefore, the farm produce must have competitive price, high quality and transparent origin, Loc said.

He has proposed that Viet Nam's shrimp industry must choose a production model having production management, operation of the farming system, and treatment of shrimp waste and diseases.

In addition, shrimp farmers should optimise the use of capital, labour, farming area, water source and seed to increase output but reduce production costs and risks.

Managing shrimp seed to ensure quality is an important factor in determining efficiency in the production of the shrimp industry. It is also a solution to reduce the farming cost of Vietnamese shrimp, Loc said.

Le Van Quang, chairman of Minh Phu Group, has proposed to produce high-quality shrimp seeds with disease resistance and environmental adaptation. In

In addition, the farmers need to manage food for shrimp seeds, have a transparent production process, and develop low-cost shrimp farming processes.

The low-cost shrimp farming process includes planning large concentrated farming areas with separate water supply and drainage channels, completed infrastructure of transport, electricity and water, and digitisation application in shrimp farming to manage traceability and reduce labour costs.

Meanwhile, the businesses need to maintain the traditional market and continue to expand the easy markets, said Tran Cong Khoi, deputy head of the Aquaculture Department under the Directorate of Fisheries.

With the solutions, the shrimp industry is expected to overcome the challenges this year, gaining the target of 750,000 hectares in a farming area, an output of 1.08 million tonnes and an export value of about \$4.3 billion.

Vietnamese shrimp has been exported to 100 countries, including major markets in Europe, the US, Japan, China and South Korea.

In the past two decades, the shrimp industry contributed an annual average of about 40-45 per cent of the total seafood export value.

Viet Nam has accounted for 13-14 per cent of the total shrimp export value in the world market.



## Corporate News

### 8. VIC: Vinfast exports next batch of 1,879 VF 8 vehicles to North America

0.00 %

VinFast announced on Monday the shipment of the second batch of 1,879 VF 8 vehicles to the US and Canada. The vehicles are expected to be delivered to US customers in May and to Canadian customers in June.

The Silver Queen departed from the MPC Port in Hai Phong for North America. The vessel is expected to arrive at the Port of Benicia in California after more than 20 days at sea. Upon arrival, VinFast will hand over 1,098 VF 8 vehicles to the US market and will continue the journey with the remaining 781 vehicles to Canada.

This is the second exported EV batch of VinFast, and the first exported VF 8 standard batch to the

international market. The VF 8 standard comes in two trim levels – the Eco and the Plus, which offer a higher estimated range than the existing “City Edition” that VinFast delivered to US customers in March of this year.

For the European markets, the first exported batch is expected to commence in mid-July 2023 with 700 VF 8 vehicles.

In the past year, VinFast has continued to expand its global business network opening more than 30 retail stores and service centres in the US, Canada, Germany, France, and the Netherlands, to serve consumers in these key markets.

### 9. LPB: Cancellation of auction of equity owned by Vietnam Post Corporation at Lien Viet Post Joint Stock Commercial Bank

↓ -3.38 %

Hanoi Stock Exchange announces the cancellation of auction of equity owned by Vietnam Post Corporation at Lien Viet Post Joint Stock Commercial Bank as follows:

The auction of equity owned by Vietnam Post Corporation at Lien Viet Post Joint Stock Commercial Bank was going to be carried out on 21/04/2023, however, when the time for registration expired at 15:30 14/04/2023, there was no investor registering for the auction. Based on the Regulation of the auction, the auction will be cancelled.

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