



VIETNAM DAILY NEWS



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Market Analysis

1. Market falls despite positive news on repayment terms

The market benchmark VN-Index logged its second consecutive daily loss.

The market opened the new week on a negative note due to persistent risk-off mood despite positive news on the restructuring of debt repayment terms.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index finished 1.55 points, or 0.15 per cent, lower to 1,041.36 points. This marked its second straight daily loss.

The market's breadth was in the negative zone with losers outnumbering winners on the southern bourse.

Liquidity also declined over the previous trading session, of which the trading value dropped by 6.2 per cent to VND9.1 trillion (US\$389.1 million), equivalent to a trading volume of nearly 557 million shares.

The VN30-Index, tracking the 30 biggest stocks on HoSE, was little changed on Monday as the number of gainers was equal to the number of decliners.

Specifically, the VN30-Index fell 0.01 points to close the trading day at 1,046.17 points. Of the VN30 basket, 14 stocks slid, while 14 others added points and two stayed flat.

The HNX-Index on the Ha Noi Stock Exchange (HNX) also dipped by 0.16 points, or 0.08 per cent, to 206.76 points.

During the trade, about 62 million shares were traded on the northern exchange, worth VND828.66 billion.

The top three ticker symbols dominating the bearish trend were PV Gas (GAS), Masan Group (MSN), and BIDV (BID), with all losing at least 1.1 per cent.

Also weighing on the market's sentiment, Mobile World Investment Corporation (MWG) also posted a decrease of 2.29 per cent.

Benchmarks pared losses thanks to the positive performances of some large banks, including Techcombank (TCB), Vietcombank (VCB), Vietinbank (CTG) and MBBank (MBB). Of which, TCB was the biggest gainer with a rise of 2.79 per cent.

Except MBBank, the other three banks held their general meetings of shareholders last week.

The market experienced poor performance despite news that the State Bank of Vietnam (SBV) issued a circular to allow credit institutions to restructure the repayment terms and keep the debt group unchanged.

The new policy came into effect from April 24 to the end of June 30, 2024.

The purpose of the circular is to support clients struggling with production and business expenses.

On the other hand, foreign investors were net buyers on Monday. In particular, they net bought VND240.97 billion on HoSE and a small value of VND716.63 million on HNX.

Macro & Policies

2. Experts recommend expanding list of borrowers of 5.11 billion USD credit package

In order to effectively disburse a low-interest housing credit package of 120 trillion VND (5.11 billion USD), many experts recommended expanding the list of borrowers.

The package covers social housing development, homes for workers, and renovation of degraded apartments with preferential interest rates around 1.5-2% lower than the average of four State commercial banks.

According to experts, the Government should remove difficulties for many real estate businesses, not just social housing businesses. When both the affordable commercial and social housing segments meet actual needs, it would create a push, helping change the entire system and solving the gloomy situation of the real estate market.

Recently, many policies to remove difficulties for the real estate market have been directed by the Government to create positive changes in the industry. The Government issued Resolution No 33/NQ-CP on a number of solutions to remove difficulties and promote the safe, healthy, and sustainable development of the real estate market. This is one of the efforts expected by many people and businesses.

In addition, the Government also signed Decision 388/QĐ-TTg to approve a project of developing at least 1 million affordable homes for low-income earners and workers in industrial zones in the 2021-2030 period.

The project targeted that around 428,000 apartment units would be completed in the 2021-2025 period and another 634,200 in 2025-2030.

Up to now, this credit package of 120 trillion VND has been mainly for businesses and buyers of low-cost housing, social housing, and worker housing with an interest rate from 1.5 – 2% lower than the average lending interest rate of banks in the market in each period.

However, experts said that, in the context of the limited supply of social housing, it is advisable to expand the beneficiaries of this loan package, such as cheap commercial housing.

Ngo Tri Long, former Director of the Price Market Research Institute under the Ministry of Finance, said the credit package is a good idea. The level of interest rate support after reducing it will be around 10%. This interest rate may still be difficult for both estate developers and home buyers related to social housing and worker housing.

From the property investors' side, developing social housing is not profitable. The input costs are high, but the selling price is controlled, which will affect the profit factor in their business. It is also an issue that needs to be considered when banks make policies, Long added.

Currently, estate businesses have been short of capital. It is valuable to reduce interest rates. The reduction level of 1.5 – 2% will probably be acceptable to businesses because they also have incentives on land rent and tax policies. However, the interest rate reduction of 1.5 – 2% might not be high for home buyers because the poor would still find it difficult to access the loan.

Therefore, the package should consider giving priority to low-cost commercial housing, not just applying it to social housing and worker housing.

At present, low-cost commercial housing is also in great demand but the supply is relatively scarce, while the low-priced housing buyers are also close to the threshold of the policy beneficiaries or slightly better.

Nguyen Van Dinh, Vice Chairman of the Vietnam Real Estate Association, said the market's demand not only focuses on social housing but also affordable and mid-range commercial housing. The ultimate goal that people aim for is just a reasonable

house price, not too high compared to their financial ability.

Dinh said in addition to social housing projects, the credit package of 120 trillion VND should expand the loan recipients to low-cost commercial housing projects. This not only helps people have access to a more diversified supply, and effectively disbursed credit packages but also encourages many investors to participate in the development of mid-range and affordable commercial housing.

Nguyen Quoc Bao, Chairman of the HCM City Real Estate Club, said businesses that develop commercial housing, but are targeting mid-end and affordable segments with reasonable prices to match the ability of buyers, should also be encouraged and enjoy the support package.

For example, there are not many commercial housing projects in the mid-end and affordable segments, but compared to social housing, the supply is still many times larger. It is easy to attract estate developers. Therefore, this segment should not be removed from the beneficiaries of the credit package, especially in the context of the current difficulties.

At the same time, experts and businesses said that the Government needs to quickly complete the legal corridor, mechanisms and policies to support businesses to develop affordable housing and social housing. In fact, to get a bank loan, a project must have a construction permit. Meanwhile, it takes many years for a project to get a construction permit, even up to 4-5 years. This situation would discourage many businesses from participating in low-cost real estate development.

3. Global shrimp demand expected to rebound from Q2

The price of black tiger shrimp in the first months of the year dropped sharply, causing farmers to suffer heavy losses due to the lack of export orders.

Many seafood enterprises said that there have been no new export orders, so shrimp prices are falling sharply. The price of shrimp has decreased by 30-40% compared to the beginning of the year, with the current price at 85,000-210,000 VND (3.7-9 USD), causing farmers to lose from 50-150 million VND (2,155-6,465 USD) per tonne of shrimp sold.

According to the Vietnam Association of Seafood Exporters and Producers (VASEP), last month, shrimp exports only reached 265 million USD, down 33% over the same period last year.

In the first three months of the year, exports reached 600 million USD, down 37%.

Specifically, shrimp exports to the US, EU and China were down more than 40% and to the Republic of Korea and Japan around 20% over the same period last year.

Japan is Vietnam's largest shrimp export market at 17.6% of total exports. In the first quarter of this year, shrimp exports to this market reached more

than 105 million USD, down 29% over the same period a year ago.

In the first quarter of this year, Vietnam's shrimp exports to the US reached more than 104 million USD, down 46% over the same period a year ago. Record inflation, reduced purchasing power, and high inventories from 2022 are all factors that have reduced demand for shrimp imports into the US.

The situation of US shrimp imports from Vietnam depends a lot on current inventory. If the situation is positive, import demand may recover after the second quarter of this year, according to the VASEP.

Meanwhile, shrimp exports to the EU reached 89 million USD in the first quarter, down 44% over the same period a year ago. Shrimp exports to the EU are not expected to recover in 2023 due to the impact of the Russia-Ukraine conflict.

VASEP said that the reason for the sudden drop in exports was the sharp drop in international market demand. In EU, purchasing power has been affected by the impact of inflation and uncertainties related to the Russia-Ukraine conflict, while the US is in oversupply. According to data from the National Oceanic and Atmospheric Administration (NOAA),

US shrimp imports in December 2022 hit a 10-year low.

In addition, Vietnam is facing increasing competition from rival suppliers such as Ecuador and India.

Vietnam's shrimp sector still faces many difficulties and challenges in both input and output related to shrimplet quality, disease control, the ratio of farming areas and product that sometimes does not meet GAP standards. The production cost of shrimp

in Vietnam is still much higher than that of Ecuador and India.

In order to increase competitiveness and increase exports, enterprises need to optimise costs, focus on developing added value, improve product quality, and actively change product structure to meet the needs of each market segment. In addition, businesses also need support from the government in terms of technology transformation and capital.

4. Foreign-invested groups propose early implementation of PDP8

During a conference with the Vietnamese prime minister on April 22, a number of foreign investors urged the government to swiftly approve the PDP8 and the direct electricity purchase and sale mechanism.

Greb Testerman, president of the American Chamber of Commerce in Vietnam (AmCham), said that the delay in the approval of the PDP8, the direct power purchase agreement (DDPA) from factories to industrial consumers, has impacted the decision of many companies to increase investment.

AmCham members are "concerned" about the inconsistency of Vietnam's electricity development policy. Testerman stated that they want Vietnam to "accelerate the licencing process" for renewable energy initiatives.

Testerman stated that the conclusion and implementation of the PDP8 and the DDPA mechanism will encourage renewable energy producers, particularly manufacturers in industrial zones, to engage in direct power purchase contracts.

In Vietnam, renewable energy is a catalyst for economic development and investment. European enterprises depend heavily on this energy source.

President of the European Chamber of Commerce in Vietnam Gabor Fluit said that certain enterprises had to stop expanding because they had not met this requirement. "We propose to create better

conditions for factories that have a demand for renewable energy," Fluit said.

This obstruction will be eliminated, according to Fluit, once Vietnam has a policy on direct power purchase and sale through direct power purchase contracts.

Vietnam is attracting a growing number of high-calibre investors, many of whom are devoted to the carbon-neutral roadmap. Consequently, these investors require prompt access to renewable energy, said US-ASEAN Business Council senior vice president and regional managing director Michael Michalak.

The regional executive director for ASEAN at USABC suggested that the approval processes for electricity projects be streamlined and accelerated. Even "early approval of projects that have completed the necessary procedures and issued the PDP8 is given priority."

The most recent draft of the PDP8 is being rushed to completion by the Ministry of Industry and Trade (MoIT) and its consulting agencies, and will be submitted to the prime minister for approval in May, according to Minister of Industry and Trade Nguyen Hong Dien.

The PDP8 was drafted in 2019 and submitted to the government by the MoIT at the end of 2021, but it has not yet been approved after undergoing numerous revisions.

5. Deputy PM urges hastening of public investment disbursement

Deputy Prime Minister Le Minh Khai has emphasised the need to clear all roadblocks and clarify the responsibilities of the persons concerned to accelerate public investment disbursement.

He made the request on April 24 while addressing a teleconference with Ho Chi Minh City and the Mekong Delta provinces of Tra Vinh, Vinh Long, Soc Trang, and An Giang, which have recorded slow disbursement.

For 2023, the five localities were assigned more than 92.9 trillion VND (3.9 billion USD) in investment capital from the state budget, including over 67.2 trillion VND from the local and 25.6 trillion VND from the central ones.

As of the end of March, they disbursed over 2.5 trillion VND, equivalent to 2.74% of the target set by the Prime Minister and much lower than the national average of 10.35%. Among them, the disbursement rate stood at more than 5% in the four Mekong Delta provinces and only 0.89% in HCM City, according to the Ministry of Finance.

At the meeting, HCM City, An Giang, and Soc Trang pledged to disburse 100% of their assigned capital, Tra Vinh over 98%, and Vinh Long 100% of the

capital from the central budget and 95% of that from the local one.

Noting that the five localities' disbursement rates are very low, Deputy PM Khai said that as Vietnam's GDP growth was at only 3.32% in the first quarter, it is necessary to further speed up public investment disbursement to create an impetus for growth and make up for growth slowdowns in other sectors.

He demanded causes of the slow disbursement and the responsibilities of the persons concerned be clarified, asking the chairpersons of the provincial-level People's Committees to enhance their sense of responsibility, frequently examine and promote the implementation of projects, and tackle hindrances in a timely manner.

He told provincial leaders to take charge of certain groups of projects, especially key ones.

Capital and plans have already been ready, if disbursement fails, it will greatly affect economic growth, Khai pointed out, adding that the localities should view the disbursement of medium-term public investment as a political task for 2023 and use disbursement results as a basis for personnel arrangement.

6. Transport firms prepare for increasing travel demand during long holidays

Pham Manh Hung, Director of the Hanoi Bus Station Joint Stock Company, said that the five-day holidays coincides with the opening of the tourist season in many provinces and cities, resulting in a sharp increase in travel demand.

As scheduled, the company will arrange an additional 627 vehicles at the capital's stations of Gia Lam, My Dinh and Giap Bat from April 28 to the end of May 4, especially on some routes that will see a surge in the number of passengers, namely Ha Giang, Quang Ninh, Nam Dinh, Ninh Binh, Thanh Hoa, Thai Binh, Lao Cai, and Son La.

During the peak days, the number of passengers served in the Giap Bat and My Dinh stations will increase by 300% compared to normal days and is estimated at 18,000 passengers per day.

Meanwhile, the Gia Lam bus station is expected to serve 8,000 passengers per day, up 250% compared to the figure on normal days.

To ensure safety for passengers, representatives of Giap Bat, Gia Lam, My Dinh, Nuoc Ngam and Yen Nghia bus stations said that they have coordinated with relevant units to strengthen inspections to ensure that transport firms do not increase ticket prices and stuff passengers.

The railway sector has also built plans to increase the transport capacity on the North - South route and trains to tourist attractions.

Do Van Hoan, Chairman of the Board of Directors of the Hanoi Railway Transportation Company (Haraco), said that the company plans to provide 81,000 tickets from April 27 to May 3.

A representative from the Vietnam Railway Corporation (VNR) said that during the period from April 28 to May 3, the firm will operate 22 more trains on the northern routes from Hanoi to a number of tourist destinations such as Thanh Hoa, Nghe An, Quang Binh, Da Nang, Hai Phong and Lao Cai.

Meanwhile, 32 more trains will be added for the southern routes from HCM City to Da Nang, Quang Ngai, Quy Nhon, Nha Trang, and Phan Thiet.

Amid the high travel demand, the Civil Aviation Authority of Vietnam (CAAV) has asked airlines to consider the increase of flights from Hanoi, Ho Chi Minh City to major tourist destinations during the holidays, while avoiding a surge in ticket fares and applying measures to ensure safety for flights.

Budget carrier Vietjet Air has agreed to increase the number of seats by 20% to 70,000.

Vietnam Airlines Group, including Vietnam Airlines, Pacific Airlines and Vasco, has also agreed to provide nearly 551,000 seats on domestic routes.

7. Vietnamese firms aim for stronger presence on Japanese market

Vietnamese firms are working to bring more products to the Japan to not only increase their presence at the over 125-million-strong market but also use their foothold there as a launch pad to reach other choosy markets in the world.

Masan Consumer, which has successfully sold its Chin-su-branded chili sauce in Japan since August 2018, has introduced a Chin-su seasoning product collection that the firm has developed exclusively for the Japanese market.

As the success in Japan has helped Chin-su chili sauce to enter many other markets such as China, the Republic of Korea, Australia, Europe and northern America, the firm wants to follow the same scenario for its Chin-su seasoning products.

Dan Katsuhiko, chief of office for international trade of AEON Group highly valued the quality of Vietnamese products and expressed hope that other products of Vietnam such as vegetable and aquatic products, including those from Masan, will be welcomed by Japanese consumers.

Pan Group, one of the large-scale agricultural and food companies of Vietnam, brought many high added value products to the recent Foodex Japan 2023 such as tra fish, dried fruits, and coffee in the hope of getting attention from Japanese customers.

Nguyen Thi Tra My, Vice Chairwoman and General Director of Pan Group said that Japan is a gateway for Vietnamese products to the world.

Before Masan and Pan Group, in June 2022, Tan Long Group was able to sell Vietnamese ST25 rice with the brand name of A An in Japan after meeting over 600 technical standards set by the country.

Vietnamese Trade Councillor to Japan Ta Duc Minh said that Japanese consumers pay special attention to details like size, colour, packaging and processing methods besides quality and food safety of imported products.

Minh advised Vietnamese exporters to carefully explore the habits and consuming trend of Japanese consumers, while making sure that their products meet the strict requirements of the Japanese market, especially in food safety.

Corporate News

8. TCD: Plan for bond redemption before maturity

↑ 6.88 %

The Board resolution dated April 20, 2023, the BOD of Transport and Industry Development Investment Joint Stock Company approved the policy of bond redemption before maturity with details as follows:

- Bond name: BOND.TCD.2021.001
- Bond code: TCDH2124002
- Par value: VND1,000,000/bond
- Issue date: December 28, 2021
- Number of bonds issued: 500,000 bonds
- Number of outstanding bonds: 400,000 bonds
- Number of bonds expected to be bought: 100,000 bonds
- Total value (at par value): VND100,000,000,000
- Estimated repurchase time: May 10, 2023.

9. PDR: Explanation for the consolidated financial statements in Q1.2023

↑ 1.54 %

Phat Dat Real Estate Development Corp explained the business result in Quarter 1/2023 according to the consolidated financial statements in Quarter 1/2023 with details as follows:

The profit after tax in Quarter 1/2023 decreased compared to Quarter 1/2022:

- Profit after tax in Quarter 1/2022: 279,389,740,495 dongs
- Profit after tax in Quarter 1/2023: 22,438,945,592 dongs

Following are the main reasons:

- Due to the general difficulties of the whole market, especially the real estate industry. So, the company's investment and business in real estate are not favorable.
- Due to the company's investment restructuring strategy.

Therefore, the Company's profit after tax in Quarter 1/2023 decreased by 91.97% (equivalent to VND256,950,794,903 dongs) compared to Quarter 1/2022.

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