



VIETNAM DAILY NEWS



June 12th, 2023

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Market Analysis

1. Market rebounds in closing minutes

The market reversed the bearish course and finished the week higher in the last minutes. Foreign capital also showed a signal of improvement as foreign investors net bought on both main exchanges.

On the Ho Chi Minh Stock Exchange (HoSE), the market's benchmark VN-Index was up 6.21 points, or 0.56 per cent, to 1,107.53 points, recouping some of the losses set in the previous session.

It fell by 8.22 points on Thursday on strong profit-taking demand after five straight gaining days.

Persistent selling pressure continued to weigh on the index in the early trade, causing the fluctuation around the area of 1,090-1,100 points. And it only rebounded in the last trading minutes when the risk-on sentiment, which lifted large-cap stocks, overshadowed the profit-taking force.

The market's movement was in line with the expectations of an analyst team of Saigon - Hanoi Securities JSC. "With a good accumulation base, we expect that the market will continue to add points after the correction, aiming for the target of around 1,150 points," said SHS.

The market's breadth, however, was still in the negative as declining stocks outnumbered rising ones.

Meanwhile, liquidity fell sharply from the six-month high hit in the previous session, of which the trading value and volume on the southern bourse decreased by 30.2 per cent and 30.6 per cent, respectively, to VND16.5 trillion and 902.2 million shares.

The VN30-Index, tracking the 30 biggest stocks on HoSE, closed Friday at 1,100.85 points, an

increase of 8.39 points, or 0.77 per cent. In the VN30 basket, 18 stocks inched up, while 11 ticker symbols went down, and one finished unchanged.

Leading the market's uptrend were stocks in manufacturing and financial industries. Particularly, Masan Group (MSN) was the biggest gainer, with a rise of 2.82 per cent in market capitalisation.

Other stocks in the top five dominating the trend were Vietcombank (VCB), Techcombank (TCB), Duc Giang Chemicals (DGC) and SSI Securities Corporation (SSI), with DGC shares even logging the biggest intra-day gain of 7 per cent.

Supporting the market sentiment, stocks in real estate, technology and retail sectors, such as Novaland (NVL), FPT Corporation (FPT) and Mobile World Investment Corporation (MWG), also performed well in the last trading session of the week.

In contrast, some big names continued to face sell-off pressure, with BIDV (BID) down 0.57 per cent, VietinBank (CTG) down 0.7 per cent, and Vietjet Aviation JSC (VJC) dropping 1.23 per cent.

On the Ha Noi Stock Exchange (HNX), the HNX-Index also closed higher on Friday. It gained 0.82 points, or 0.36 per cent, to 227.6 points.

During the session, nearly 128 million shares were traded on the northern bourse, worth more than VND1.95 trillion.

Foreign investors also returned to the market as they net bought over VND75 billion on both exchanges. Of which, they net bought VND44.96 billion on HoSE and more than VND30 billion on HNX.

Macro & Policies

2. Bac Giang improves quality of investment attraction

The northern province of Bac Giang will focus on improving the quality of investment promotion work in the near future, said Chairman of the provincial People's Committee Le Anh Duong.

Under its scheme on improving the efficiency of investment attraction till 2030, Duong said the province will target strategic investors, and hold dialogues with the business community in various industries, with a particular focus on small and medium-sized enterprises.

Bac Giang is also preparing necessary conditions, especially in terms of infrastructure, human resources and land to proactively attract foreign capital flows, especially high-quality capital with advanced technology.

In the near future, the province will guide businesses in strictly complying with legal regulations on investment, production, labour, environment and construction. It will strengthen inspections and strictly handle violations in investment, revoke licences of delayed projects and thoroughly assess the potential impacts of foreign-invested projects on local security, order, environment and society.

For licensed projects, the locality will review their progress and fix any shortcomings and arising problems.

Besides, the province is working to be more selective in attracting investment projects, with a focus on high-tech, large-scale projects and those that will churn out competitive products, join the global value chain and significantly contribute to the state budget and social welfare.

From now to 2025, Bac Giang aims to lure investments in industrial development intensively, towards improving productivity, quality and efficiency, and reducing the use of natural resources and energy.

It expects to raise investment projects' contributions to its gross regional domestic product (GRDP) to 60-62% by 2025, and 66-68% by 2030.

The total disbursed investment is set at 246 trillion VND (10.4 billion USD) during the 2021-2025 period, and 613 trillion VND for 2026-2030.

Meanwhile, budget collection from projects is projected to increase 17% each year to reach 5.75 trillion VND by 2025, accounting for 38.3% of the province's total budget collection. The numbers are expected to hit 12.6 trillion VND by 2030, and 52.7%.

In April, Bac Giang attracted 63.4 million USD worth of investment both domestic and foreign, or 1.7 times higher than the same period last year. For the first four months of this year, the figure hit over 1 billion USD, nearly 2.2 times higher than last year's same period. Of which, there were three new domestic projects worth 402.8 billion VND and 17 FDI projects valued at 943.9 million USD. Moreover, 8 domestic and 9 FDI projects increased their capital by 364.9 billion VND and 41.8 million USD, respectively.

In 2022, Bac Giang was the first province in the country to have its development master plan for the 2021-2030 period with a vision until 2050 approved by the Prime Minister. Information on the province's investment is provided through various channels, such as the English, Chinese, and Korean pages on the province's electronic portal, the Japan Desk and Korea Desk investment support teams, and the bilingual "Economic Diplomacy" section in Vietnamese and English on the provincial Department of External Affairs' website.

The provincial People's Committee has held meetings with foreign delegations who came to explore opportunities in the province, and engaged in online meetings with investors from Japan, Hungary and Turkey, and provided information for the Vietnamese Embassy in India, Vietnamese diplomatic representative agencies in the US and the Singaporean Embassy in Vietnam.

Also last year, Bac Giang drew around 1.7 billion USD in investment capital, up 6.5% annually. In terms of FDI attraction, Bac Giang ranked ninth nationwide. To date, 27 countries and territories have been investing in Bac Giang, of which China is the biggest investor with over 170 projects worth

around 3.41 billion USD, followed by the RoK with more than 300 projects valued at some 2.1 billion USD.

3. Travel companies see positive outlook but challenges lie ahead

Experts have forecast a positive outlook for travel stocks after two years of being battered by the COVID-19 pandemic. However, Vietnamese tourism businesses still have to face many difficulties and challenges.

According to the General Statistics Office, in the first five months of this year, the number of international visitors to Vietnam was estimated at nearly 4.6 million, 12.6 times higher than the same period last year.

With the overall positive developments of the industry, a series of travel companies on the stock market announced very positive profit growth in the first quarter of 2023.

Statistics from Nhadautu.vn showed that most travel businesses have achieved an increase in revenue in the first quarter of 2023 compared to the same period last year.

In terms of net profit, the data shows that 7 out of 11 companies reported increased net profit.

Experts say that in the context of slowing spending demand, foreign tourists tend to look to Vietnam and Thailand - countries with low costs but still ensure tourism experiences. In addition, the arrival of more tourists from China after the country reopens will contribute to boosting the tourism and service industries in Southeast Asian countries, including Vietnam.

However, Vietnam's tourism industry will face some challenges. Deputy Director General of the Vietnam National Administration of Tourism Ha Van Sieu listed them as inflationary, exchange rates, rising interest rates, climate change, natural disasters that continue to develop abnormally and that the visa policy of Vietnam does not have many advantages compared to other countries in the region.

Nguyen Quoc Ky, Chairman of the Board of Directors of Vietravel Group, said that Vietnam's tourism still has some problems with visa policies, VAT policies, and promotion of foreign tourism offices.

Ky also pointed out other obstacles, such as transportation and aviation problems as well as the lack of advertisements for festivals and events in the country.

4. Vietnam to have 30 airports by 2030

Vietnam is set to have 30 airports by 2030, including 14 serving international flights and 16 serving domestic flights.

The investment is estimated at about 420 trillion VND (18 billion USD), mobilised from the State budget, non-budget capital and other legal capital sources.

This information was released after Deputy Prime Minister Tran Hong Ha on June 7 signed Decision No 648/QĐ-TTg on the national airport system planning in the 2021-2030 period with a vision until 2050.

The 14 international airports are Van Don, Cat Bi, Noi Bai, Tho Xuan, Vinh, Phu Bai, Da Nang, Chu Lai, Cam Ranh, Lien Khuong, Long Thanh, Tan Son Nhat, Can Tho and Phu Quoc.

The 16 airports serving only domestic flights are Lai Chau, Dien Bien, Sa Pa, Na San, Dong Hoi, Quang Tri, Phu Cat, Tuy Hoa, Pleiku, Buon Ma Thuot, Phan Thiet, Rach Gia, Ca Mau, Con Dao, Bien Hoa and Thanh Son.

By 2050, the country will have 14 international airports and 19 domestic ones. The international airports include Van Don, Hai Phong, Noi Bai, Tho Xuan, Vinh, Phu Bai, Da Nang, Chu Lai, Cam Ranh, Lien Khuong, Long Thanh, Tan Son Nhat, Can Tho and Phu Quoc.

The domestic airports are Lai Chau, Dien Bien, Sa Pa, Cao Bang, Na San, Cat Bi, Dong Hoi, Quang Tri, Phu Cat, Tuy Hoa, Pleiku, Buon Ma Thuot, Phan Thiet, Rach Gia, Ca Mau, Con Dao, Bien Hoa, Thanh Son and the second airport in the south of Hanoi.

Under the decision, the country would develop the airport system in a synchronous and modern direction, to meet the demand for transportation and extensive international integration; protect the environment; save resources; ensure national defence and security; improve the economy's competitiveness, contributing to turning Vietnam into a developing country with modern industry and high middle income by 2030.

Under the newly approved planning, the total number of passengers through airports would be about 275.9 million by 2030 (accounting for 1.5-2% market share of traffic transport and 3-4% of total intercity passenger transport volume).

The total volume of cargo through airports is expected to be about 4.1 million tonnes (accounting for 0.05-0.1% market share in transportation).

In terms of infrastructure, the master plan prioritises investment in a number of large airports, which play a key role in Hanoi (Noi Bai International Airport) and Ho Chi Minh City (Tan Son Nhat and Long Thanh International Airports). The country would gradually upgrade and effectively exploit existing airports, continue to research and invest in new airports to increase the total designed capacity of the airport system to meet about 294.5 million passengers. It is striving to ensure over 95% of the population is able to access airports within 100 kilometres.

The infrastructure and flight management equipment would be invested to meet transportation needs. The country would invest in logistics centres, training centres, flight training, aircraft maintenance and repair systems to ensure flight operations.

In addition, logistics centres will be arranged at airports with transport volume of more than 250,000 tonnes a year. Logistics centres ensure conditions and connect appropriate types of traffic to transport goods at airports, including Noi Bai, Tan Son Nhat, Van Don, Cat Bi, Da Nang, Chu Lai, Long Thanh, Can Tho and some other airports. The master plan targets establishing an international transshipment logistics centre at Chu Lai Airport.

This is the latest national planning in the transport sector approved by the Government. Earlier, four national plans in the sector prepared by the Ministry of Transport were approved, including roads, railways, seaports, and inland waterways.

5. State budget revenue nears 770 trillion VND in five months

According to the ministry, although the domestic revenue in the reviewed period was quite good compared to the estimates, the monthly tended to decrease as the January collection reached 14.7% of the estimate, February 7.7%, March 8.9%, April 9.9%, and May 6.4%. The domestic collection in the first five months was equal to 97.1% of that recorded in the same period last year.

The ministry said 17 out of the 63 provinces and centrally-run cities recorded state budget revenue topping 48% of this year's targets.

Thirteen localities saw the collection higher than that in the same period of 2022, and 50 others were lower.

Meanwhile, 653.1 trillion VND from the state budget was spent in the period, representing 31.5% of this

year’s plan, and rising by 10.9% year-on-year, statistics show.

The Finance Ministry said expenditures in the Jan – May period were performed as planned, meeting demand for socio-economic development, defence and security, state management, debt repayment, and implementation of social security tasks.

6. Pepper exports increase 30%

Of the figures, black pepper was 119,832 tonnes and white pepper, the rest.

Pepper exports to Asian market remained a bright sport, reaching 78,907 tonnes, skyrocketing 77.2% and accounting for nearly 60% of the country's total export turnover of this kind of spice. China was the key market as the neighbour imported 46,169 tonnes of pepper, taking up 35% and soared 1,668.9% year-on-year, while the exports to the Philippines was 3,305 tonnes, a hike of 26.1%.

Notably, exports to African market experienced a surge of 38.9%, of which those to Egypt and Senegal shot up 140% and 104.4% year on year, respectively.

The American market recorded a fall of 13.1% in the reviewed period, accounting for 18% of the market share, of which exports to the US decreased 15.5%, picking up for 21,093 tonnes.

Occupying 16.8% of Vietnam’s total pepper export turnover, the EU market fell 9.4% year-on-year in the first five months of this year.

7. Firms call for support as wood exports slump

Timber enterprises were calling for support in terms of market information, requirements and consumer tastes to cope with declining exports which were pushing them into many difficulties from the beginning of this year.

The export of timber and wood products, after many years of rapid increases, dropped significantly from the beginning of this year.

Statistics of the Vietnam Timber and Forest Products Association (Viforest) showed that wood exports were estimated at 4.7 billion USD in January – May, falling by nearly 30% against the same period last year.

Viforest President Do Xuan Lap said that wood companies were struggling with exports due to falling demand in major markets, such as the US, Japan, the Republic of Korea, China, the UK and the Europe Union.

Vietnam was facing two trade defence investigations on plywood and kitchen cabinets initiated by the US. Lap said that the prolonged investigations seriously affected Vietnamese plywood companies. The biggest problem was that American companies were shifting their purchases to other markets.

Nguyen Liem, President of the Binh Duong Furniture Association, said that enterprises were facing a lot of difficulties and many of them had to cut their operating capacity by 60-70%.

“The global economic situation remains unpredictable with rising inflation risks in major markets, including the US and the EU. All market signals are not very positive for the wood industry,” Liem said.

VNDirect Securities said that as a recession was on the horizon, it would be a difficult time for the wood

industry of Vietnam, which might last until the end of this year.

Viforest said that enterprises were in need of support in trade promotion to expand markets through the negotiation and signing of free trade agreements.

In addition, industrial zones specialised in wood and forestry product processing should be established in localities with high potential such as the northern mountainous region, south central coast and southeast region.

Enterprises would also need to improve their capacity to cope with trade defence lawsuits, the association said.

The focus would be on providing support to develop plantation areas with sustainable forest management certificates to meet the market requirements.

Viforest also called for accelerated efforts to speed up the refund of value-added tax to wood companies which had been delayed due to problems related to the tax authority's approach to verifying wood origin traceability.

It was estimated that about VNĐ6.1 trillion worth of VAT had not been refunded to wood exporters.

The wood and forest product industry set the goal for export value of 17.5 billion USD this year, a slight increase over 2022, which was at 17.1 billion USD, which could be challenging as global consumption demand declines.

Corporate News

8. VIC: Vinfast launches mini electric car for mass market

↓ -0.19 %

Boasting a compact and contemporary design, the VF 3 offers numerous benefits, making it suitable for a wide range of applications and operating environments. This eco-friendly vehicle is also equipped with smart features, providing a dynamic mobility option for individuals of all backgrounds.

The VinFast VF 3 is part of the small car segment, specifically classified as a mini car. The VF 3 represents VinFast's initial endeavor in developing a small car model design dedicated to the distinctive characteristics and driving patterns of domestic consumers.

The car has an overall length of approximately 3,114 mm and features a two-door design, a rear

trunk, and sufficient interior space to accommodate up to five people. The body is compact yet tall and robust, providing ample ground clearance and equipped with 16-inch wheels. The exterior design is characterised by bold geometric blocks and strong lines that run consistently from the front to the back, creating an eye-catching appearance.

The car is equipped with an electric motor and battery that offer an impressive travel distance, catering to the needs and daily usage patterns of most Vietnamese drivers. It is expected that VinFast will begin accepting VF 3 orders in September 2023 and deliver in Q3 2024.

9. STB: Sacombank starts adoption of Basel III norms

↑ 1.81 %

Sacombank has begun a project to implement Basel III and strengthen risk management capacity with EY Vietnam Consulting Joint Stock Company offering consultancy.

The project is meant to build an organisational structure for risk management in line with international rules and the bank's strategies, improve capital and asset quality to ensure stable and sustainable business operations and meet the increasingly stringent requirements for the banking industry, optimise the process of identifying, measuring, monitoring, controlling, and overcoming risks, and develop skilled human resources and a modern information technology system.

Pham Van Phong, the lender's vice chairman, said: "Sacombank is well aware of the importance of applying Basel III rules and improving its risk management system.

"This is one of the major factors that enable Sacombank to complete the restructuring project, thereby optimising all business activities while ensuring safety and efficiency in operations.

"With co-operation with a reputed partner, EY Vietnam Consulting Joint Stock Company, we believe Sacombank will make steady progress, building trust and confidence in the market, thereby creating an important premise to realise higher goals, reaching out to the regional and international markets."

Nguyen Thuy Duong, chairwoman of EY Vietnam Consulting JSC, said: "Banks are increasingly facing many risks and challenges in their operations. The implementation of Basel III in particular and determination to improve the capacity of the risk management system reflects Sacombank's long-term strategic vision, which not only aims to ensure financial safety compliance but also leverage risk management in strategic and business decisions to promote sustainable development and meet international standards in the long term.

“We are thrilled to be trusted by Sacombank in this extremely important transformation journey.”

With a vision of becoming the leading modern and multi-functional retail bank in Viet Nam, in recent years Sacombank has steadily improved all aspects of its operations, including risk

management, business environment and corporate culture.

Its prudent ratios have been well managed and within the safe threshold, its capital adequacy ratio has always been at a good level, liquidity has been always ensured, and credit quality has been improving.

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