



# VIETNAM DAILY NEWS



June 23rd, 2023

**Table of content**

## **Table of content**

- 1. Stock market gains despite choppy trading**
- 2. M&A in Vietnamese real estate heat up**
- 3. Vietnam logistics sector offers attractive investment opportunities**
- 4. New hope for stronger Vietnam-RoK investment cooperation**
- 5. Vietnamese, Japanese firms seek stronger partnership**
- 6. Hanoi's economy sees effective recovery**
- 7. Cargo volume transported through seaports drops slightly**
- 8. VRE: Vincom Retail achieves international recognition for groundbreaking Vincom Mega Mall**
- 9. VNM: Vinamilk's Super Nut wins Best Dairy Alternative 2023 award**

## Market Analysis

### 1. Stock market gains despite choppy trading

Despite choppy trading throughout the day, the VN-Index ended the day higher on Thursday.

The benchmark VN Index on the HCM Stock Exchange rose 0.61 per cent to close at 1,125.30 points. It had gained 0.57 per cent to close Wednesday at 1,111.72 points.

Traders moved more than 919.3 million shares worth VNĐ19.6 trillion (US\$833.3 million) on the southern bourse.

Market breadth was positive, with 314 gainers and 114 losers.

The HoSE's large-cap tracker VN30-Index also edged higher, closing at 1,117.60 points, up 0.5 per cent. Nineteen of the 30 largest stocks rose, while 8 stocks lost points and three ended unchanged.

“Liquidity increased, showing an effort to support and maintain the uptrend of cash flow. With existing support signals, it is expected that the market will seek to retest the resistance zone of 1,125 to 1,130 points of the VN-Index,” said Việt Dragon Securities Co.

“The supply in this area may cause difficulties for the market, but the possibility of overcoming this resistance zone is not excluded in the near future. Therefore, investors can expect the market to increase in the short term.”

“In the meantime, it is possible to hold or exploit short-term opportunities in stocks with good accumulation backgrounds. However, it is still necessary to consider taking profits for stocks that have been under great supply pressure and have weakened recently,” it said.

Banks and energy firms were the major stocks that helped push the market up yesterday.

Sacombank (STB), Vietcombank (VCB), and Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) were the strongest gainers in the banking sector. These stocks advanced between 0.4 per cent and 2 per cent.

However, some banks still suffered selling pressure such as VPBank (VPB) and Asia Commercial Bank (ACB).

Energy stocks, including PetroVietnam Drilling and Well Service Corp (PVD) and PetroVietnam Technical Services Corp (PVS), also rebounded.

The HNX Index on the Hà Nội Stock Exchange edged up 0.06 per cent to end at 231.91 points.

Nearly 107.2 million shares were traded on the northern exchange, worth VNĐ18.6 billion.

## Macro & Policies

### 2. M&A in Vietnamese real estate heat up

Recently Nova F&B - an affiliate of NovaGroup which specialises in cuisine services in projects developed by Novaland, has been acquired by a Singapore enterprise via arrangements with VinaCapital.

It is known that Nova F&B owns 18 famous brands, including self-developed ones like Dynasty House, Phindeli, Mojo Boutique Coffee, Shri Restaurant & Lounge. Some others such as Jumbo Seafood, Sushi Tei, Gloria Jean's Coffees are developed through franchise agreements.

The move took place at a time when NovaGroup is carrying out a comprehensive restructuring plan. According to the latest announcement, NovaGroup has registered to sell 136.4 million NVL shares of Novaland Group to rebalance its investment portfolio and support the restructuring of other debts and obligations. It came shortly after the company announced the sale of 14.4 million NVL shares out of the total registered units of 69.6 million.

Earlier, Novaland Group swapped shares worth 1 trillion VND (43.4 million USD) in its two affiliate companies to Dallas Vietnam Gamma Ltd.

In a recent announcement, Jones Lang Lasalle (JLL) stated that they have advised on the sale of an investment portfolio consisting of three prominent hotels in Southeast Asia, including two in Vietnam. The deal valued at 106.1 million USD, marking the

first hotel purchase transaction in the region this year.

If the market conditions continue to be challenging, 23% of enterprises could only sustain their operations until the end of the third quarter while 43% of others could survive till the end of this year, according to a survey recently released by the Vietnam Association of Realtors (VARs).

Experts held that the Vietnamese real estate market remains attractive for domestic and foreign investors. However, the difficult economic situation has prevented them from investing in large-scale deals and forced them to focus on small and medium-scale ones.

Meanwhile, there are only few domestic financially-strong developers amid decreased liquidity and high financial cost. Therefore, big deals are expected to be open to foreign investors.

Data from the VARs shows that the number of foreign investors interested in M&A property projects in Vietnam is increasing sharply, especially those from Singapore, the Republic of Korea, Taiwan (China), Japan and Malaysia. However, the majority of them are on the verification and negotiation processes.

As negotiations last one to one and a half years, a significant number of successful deals will emerge at the earliest by the end of 2023 or the beginning of 2024, said an expert from Savills.

### 3. Vietnam logistics sector offers attractive investment opportunities

This presents attractive investment opportunities for private equity firms and other well capitalised investors, who could help the industry accelerate earnings by adopting best international practices, Michael Kokalari, chief economist at VinaCapital Fund Management JSC, said.

The sector had grown at 14-16% annually in recent years, but logistics costs accounted for over 20% of GDP, among the highest in the world because of the industry's innumerable inefficiencies.

Kokalari said the rapid growth of Vietnam's logistics sector growth was sustainable because of the ongoing expansion of the country's manufacturing

sector driven by high-tech products, and the continued growth of its middle class, which also presented numerous investment opportunities, especially in niches such as cold-chain logistics because of a greater demand for fresh food, certain perishable pharmaceutical products and in ecommerce such as last-mile delivery.

E-commerce was growing at more than 25% annually, and the Government targeted a much bigger role for e-commerce going forward, which was likely to lead to a regulatory environment especially favourable for “last mile” and other logistics firms, he added.

Vietnam’s logistics industry comprised of foreign and local firms, but the latter were essentially absent from the international shipping business with the exception of the handling and delivery of goods overland across the northern border with China.

The industry’s biggest challenge was improving the quality and reliability of its services, and these could be addressed by replicating best practices in other logistics markets.

The logistics businesses most in need of investments were capital intensive ones and in segments that were highly fragmented, he said.

For instance, transportation firms accounted for around two-thirds of the industry, but over 80% of trucking firms in Vietnam had a fleet size of fewer than five, and after an estimated 70% of deliveries, trucks returned to its home base empty.

Middlemen got nearly 30% of trucking companies’ final service fees as commission.

Even in cold storage transport, considered to be one of the most promising segments in the logistics industry and dominated by foreign-invested firms, an estimated 70% of firms had less than 10 trucks.

“In our view, some very compelling opportunities for local firms stem from the fact that sophisticated foreign customers are willing to pay premium prices for reliable logistics services, and that middle-class customers’ demand for products and services that entail high-quality logistics, such as online shopping with home delivery and demand for perishable foods and medicines, is soaring.”

But logistics operators with sufficient scale and professional management would experience falling costs over time as bottlenecks stemming from Vietnam’s infrastructure and other issues were eventually addressed.

“We also expect attractive investment returns for logistics firms that are beneficiaries of increased high-tech manufacturing in Vietnam, and from the ongoing growth of its emerging middle class.

“Finally, we see three potential investment strategies: invest into leading logistics companies to aggressively grow their assets into an integrated platform which offers clients economies of scale; identify particular assets which need capital for upgrading or can be re-purposed, and drive new business by increasing efficiencies and M&A or consolidation.

“One attractive niche in Vietnam’s logistics industry is the customs clearance business, in which brokers with good relationships with the proper officials can expedite the clearance of goods in and out of the country by assuring compliance with the complex regulations entailed.”

Most of Vietnam’s 800 freight forwarding companies provided customs clearance services, according to the Vietnam Logistics Business Association, but firms which could bundle customs clearance services as part of a “core carrier” relationship, capable of satisfying all of the shipping and logistics needs of high tech manufacturing firms could enjoy enhanced pricing power in exchange for providing premium logistics services to those firms.

#### 4. New hope for stronger Vietnam-RoK investment cooperation

During the 3-day visit, businesses of the two sides are expected to sign a number of cooperation deals

as leading RoK manufacturers are seeking measures to ensure supply chains and expand exports.

On June 24, a Vietnam-RoK Business Forum will be held, gathering leaders of the two countries and a large number of businesses of both sides.

According to the Foreign Investment Agency under the Ministry of Planning and Investment, the presence of the business delegation and leading billionaires of the RoK and the world in Vietnam brings a new hope for the further growth between the two countries. All the five major RoK enterprises have made big investment in Vietnam and planned to expand the investment.

Samsung has announced its plan to inject 3.3 billion USD in Vietnam, including 2 billion USD disbursed in projects in Thai Nguyen and Ho Chi Minh City.

Meanwhile, in late 2022, LG revealed its plan to invest an additional 5 billion USD in Vietnam in the future, while Lotte is completing its Lotte Mall in Hanoi and constructing a Lotte Eco Smart area in Thu Thiem of HCM City.

In early September 2022, while attending the groundbreaking ceremony of the project, Lotte Chairman Shin Dong-bin said that Lotte Eco Smart Thu Thiem will mark the "starting point" for

investment expansion activities of Lotte Group in Vietnam.

At the same time, SK is in the process of increasing its presence in Vietnam through large-scale investments in Masan and Vingroup. Hyundai Motor also operated Hyundai Thanh Cong No.2 Factory in Ninh Binh at the end of last year.

The Foreign Investment Agency said that in the first five months of this year, Vietnam attracted 962 new FDI projects worth over 5.26 billion USD, up 66.4% year on year in the number of projects and 27.8% in value.

In the January-May period, the RoK was one of the largest investors of Vietnam, making up 17.4% of the number of the total projects and 25.2% of the investment value.

The agency held that foreign small- and medium-sized investors have remained confident about the Vietnamese investment environment, while larger ones are considering big investment in Vietnam amid the impacts of the global minimum tax policy which will be applied in 2024.

## 5. Vietnamese, Japanese firms seek stronger partnership

Addressing the event, Trade Councilor Ta Duc Minh highlighted that the two countries have become each other's important trade partner, as their import-export structure can supplement each other without direct competition.

Japan has high demand in agro-forestry-fisheries products, processed food, consumer goods and garments, which are strong products of Vietnam.

Meanwhile, the two sides are both members of many free trade agreements, providing them opportunities to broaden their trade relations with partners, increase import-export activities and engage deeper in the regional and world supply chains, he noted.

Nakamura Makoto, an economist from the Manufactured Imports Promotion Organisation (MIPRO) under the Ministry of Economy, Trade and Industry (METI) of Japan, said that all Vietnamese products entering the Japanese market must meet

strict requirements of the local market from material origin to production stages, which means a strong collaboration among businesses of the two countries is crucial to bring Vietnamese products to Japanese consumers.

During the event, Vietnamese firms introduced their products to Japanese firms and sought partnership opportunities

Japan is currently the leading economic partner of Vietnam, the country's biggest ODA provider, the second largest labour export market, the third largest investor, the third largest tourism market, and the fourth biggest trade partner. The number of Vietnamese products sold in Japan has increased and they are welcomed by local consumers.

The conference provided a good chance for businesses of both sides to seek partnership opportunities, bringing more strong products of Vietnam to the Japanese market on the basis of

optimising the Vietnam-Japan Economic Partnership Agreement (VJEPA).

## 6. Hanoi's economy sees effective recovery

Economic sectors continue to maintain their development momentum, of which, service and tourism see impressive recovery and development.

### Six-month GDP increases by 5.97%

Right from the first days of this year, the municipal People's Committee issued an action plan and sped up the implementation of six key tasks. As many as 118 specific ones have been assigned to departments, agencies, People's Committees of districts and towns. The city has determined this year's overall goals of promoting growth, stabilising the economy, controlling inflation, and focusing on comprehensive and synchronous development in all fields, and developing new growth drivers.

According to Vice Chairman of the Hanoi People's Committee Ha Minh Hai, in the first six months of 2023, the capital city's gross regional domestic product (GRDP) increased by 5.97%. Its total state budget revenue in the first five months reached 207 trillion VND (8.8 billion USD), equal to 58.7% of the yearly estimate and up 25.1% year-on-year. Total social investment in the first half was estimated at 195.5 trillion VND, up 9% year-on-year. Notably, foreign direct investment (FDI) attracted was quite high, reaching 1.84 billion USD in the first five months of this year, exceeding the figure of the whole year of 2022.

During January-May, Hanoi had more than 13,000 newly established enterprises with a total registered capital of nearly 126 trillion VND, a year-on-year increase of 8% in quantity, thus bringing the total number of enterprises in the city to more than 362,000.

Hanoi also continues to promote communications and dissemination to implement the plan on supporting digital transformation for small- and medium-sized enterprises in Hanoi for the 2021-2025 period. The database system of the capital city's enterprises is connected to the national database. According to statistics, 99.5% of businesses perform tax declaration online, and 99.1% of enterprises pay taxes online.

Le Nguyen Hong Phuong, Brand Director of Tuan 123 Real Estate Joint Stock Company, appreciated the support in procedures and policies that Hanoi has implemented in the past time to help enterprises restore their production and business activities. The promotion of online tax declaration and payment has contributed to reducing costs for businesses, limiting negative problems, and simplifying procedures for taxpayers.

### Towards equitable and pervasive development

Dinh Tien Dung, Politburo member and Secretary of the Hanoi Party Committee, said that Hanoi not only is determined to promote fast and sustainable economic development, but also aims for equitable and pervasive development.

The determination to promote the development of transport infrastructure, including the Ring Road 4-Capital Region project also aims to concretise that spirit, Dung said, adding that after a year of implementing the National Assembly's resolution on project investment policy, Hanoi plans to start construction on the project on June 25. To date, procedures related to the project have been basically completed. With the current progress, within June, Hanoi is expected to complete about 80% of site clearance.

The city has also focused on stimulating cultural resources and investing in developing culture on par with economic development to make culture a new driving force.

Regarding public investment disbursement in 2023 and for the coming year, Vice Chairman Hai said that immediately after the meeting of the municipal People's Council in early July, the Party delegation to the municipal People's Committee

will build and issue three plans: a disbursement plan for the last six months of 2023; one on implementing key projects, and another on accreditation and re-accreditation of standard public schools for the 2023-2025 period. At the same time, it will build a concerted investment plan for water drainage, wastewater and waste treatment systems, and environmental protection in the city in the 2026-2030 period.

## 7. Cargo volume transported through seaports drops slightly

Of the total, the volume of exports was over 71.7 million tonnes, down 7% year on year, while that of imports neared 84.4 million tonnes, a decrease of 3%. Meanwhile, nearly 140 million tonnes were transported domestically, while the volume transited was 681,000 tonnes.

The administration said that the volume of container cargo transported through seaports in the period was 9.71 million TEUs, a fall of 8% year on year.

In May alone, domestic seaports handled over 63.3 million tonnes of goods, down 3% year on year, while the volume of container cargo was 2.07 million TEUs, down 7%.

A representative from the administration said that downturn was seen in the volume of cargo through the majority of regions having seaports, including Vung Tau (13%), Hai Phong (3%), and Ho Chi Minh

City (3%). Particularly, sharp falls of 23-51% were seen in some areas such as Thai Binh, Quy Nhon and Quang Ngai.

Meanwhile, a number of bright spots with increase in the cargo volume were Nha Trang at 23%, Dong Nai 10%, Can Tho 14%, Binh Thuan 15%, Thanh Hoa 16%, and Thua Thien-Hue 18.7%.

Along with the downturn in the volume of cargo transported through the seaports, that of container cargo through major seaports also dropped.

The administration estimated that in the first six months of this year, the total volume of cargo handled through seaports will fall about 3% to about 359.46 million tonnes. Meanwhile, container cargo may reach 11,792 million TEUs, down 7% year on year.

## Corporate News

### 8. VRE: Vincom Retail achieves international recognition for groundbreaking Vincom Mega Mall

↑ 0.75 %

#### A collection of prestigious international awards

Continuing its remarkable achievements, Vincom once again received honours at the Asia-Pacific Property Awards (APPA) 2023, held on May 31.

Vincom Mega Mall Smart City achieved top positions in two esteemed award categories, namely Best Retail Development in Vietnam and Best Development Marketing Vietnam.

Furthermore, Vincom Mega Mall Smart City surpassed numerous other shopping malls in the region to secure a nomination for the Best Marketing Campaign in Asia-Pacific.

The Life-Design Mall concept, coupled with a captivating marketing campaign, played a pivotal role in elevating Vincom Mega Mall Smart City to the pinnacle of the Retail Initiative of the Year category for the Vietnamese market at the Retail Asia Awards, hosted annually by Retail Asia magazine.

#### Vincom Retail's remarkable success at the Retail Asia 2023 Awards, winning numerous prestigious accolades

Simultaneously, Vincom Mega Mall Ocean Park was honoured with the Mall of the Year award in the Vietnamese market, as determined by Retail Asia magazine.

In 2022, Vincom Mega Mall Ocean Park was recognised as the Best Retail Development in Vietnam at APPA. The mall impresses with its expansive 56,000-square metre area, remarkable wave-inspired design, and breathtaking views of Vietnam's largest artificial saltwater lake.

Vincom Mega Mall Ocean Park received the Best Retail Development in Vietnam award in 2022

Continued recognition at prestigious international awards reaffirms Vincom Retail's ability to create sustainable value while consistently innovating to meet the dynamic growth of the retail market in Vietnam.

With an unrivalled position as a retail real estate developer in Vietnam, Vincom Retail has garnered the trust of esteemed domestic and international retail brands for almost two decades, successfully launching and expanding its store networks.

Vincom's influence transcends setting new trends and enhancing consumer experiences. It plays a pivotal role in transforming the architectural landscape of urban areas by introducing world-class, contemporary shopping destinations akin to those found in developed countries.

Furthermore, Vincom Retail diligently conducts research and explores innovative approaches within the Vietnamese retail market, pioneering distinctive retail tourism product models to create novel global tourist destinations.

#### Leading the retail trend with the new-generation Vincom Mega Mall model

In the dynamic retail sector, success hinges not only on infrastructure investments, but also on being responsive to trends and constantly reinventing oneself. In recent years, customer shopping preferences have undergone significant changes, with visitors to shopping malls seeking unique shopping experiences and distinctive aesthetic tastes.

This drove Vincom to introduce Vincom Mega Mall Smart City – the first Life-Design Mall model in Vietnam. Covering an expansive 68,000sq.m, the mall integrates modern technology, nature-inspired architecture, and top-quality services.



In terms of design, Vincom Mega Mall Smart City utilises smart lighting technology to create modern and impressive lighting effects. The indoor space at Vincom Mega Mall Smart City offers a plethora of pioneering experiences, such as artistic water-music performances at the indoor rainbow waterfall, standing at an impressive height of 14m.

Designed in 360 degrees, with modern water lighting technology, the waterfall captivates visitors. Moreover, the moving ceiling lighting effects along the Star Boulevard create a unique and vibrant atmosphere.

Vincom Mega Mall Smart City pioneers with artistic musical water performances at the indoor rainbow waterfall – the first of its kind in Vietnam

The harmonious fusion of technology and nature gives rise to distinct highlights, including an indoor river that flows through the first floor that is connected by three bridges and river view shops nestled within the mall.

The vibrant and romantic waterfront space offers an experience exclusively available to visitors of Vincom Mega Mall Smart City.

In terms of shopping, the Life-Design Mall model redefines the retail landscape, offering a high-

quality and trendy experience. Furthermore, it serves as an entertainment complex, boasting unique attractions like the first-of-its-kind in Vietnam VS Racing – a mini, indoor F1 racetrack spanning over 3,000sq.m that features life-sized F1 models.

With its captivating project appeal and ingenious marketing campaign, the launch event for Vincom Mega Mall Smart City has made an indelible mark on the retail market, causing a sensation among the younger generation.

The marketing campaign had a profound impact throughout the opening week, playing a pivotal role in positioning Vincom Mega Mall Smart City as a dedicated destination for the international community and the younger demographic.

As a testament to its success, Vincom Mega Mall Smart City secured the esteemed award for Best Development Marketing in Vietnam 2023.

With its captivating design, well-curated tenant mix showcasing popular brands, and an enticing array of experiences facilitated by modern utilities, it comes as no surprise that Vincom Mega Mall Smart City, as well as Vincom shopping malls in general, receive resounding acclaim at international awards, emerging as a must-visit destination for modern customers.

## 9. VNM: Vinamilk's Super Nut wins Best Dairy Alternative 2023 award

↑ 0.90 %

Vinamilk's Super Nut, a plant-based milk alternative, has won the Best Dairy Alternative 2023 award – one of the most competitive categories –with 10 nominations at the 16th Global Dairy Congress held in London from June 21-22.

Super Nut is a nut milk that combines nine types of nuts to meet the growing demand for vegan products. Introduced to the market about a year ago, it has become popular and bestseller in Vinamilk's plant-based milk category. The product also won the Gold Award of Monde Selection and

the Superior Taste Award – three-star rating at the International Taste Institute in Belgium.

Themed “Reimagining Dairy”, the congress gathered over 200 delegates from the world dairy units who discussed the trends, opportunities and prospects of the global dairy market, sustainable and green development, innovation in the dairy industry for a healthy future worldwide, developing new dairy products, new technologies, and innovative nutritional solutions.

It is the third time Vinamilk has joined the event.

In his speech, Vinamilk's Executive Director of Marketing Nguyen Quang Tri shared the story of Vinamilk Dielac powdered milk as a symbol of its development journey. Introduced 34 years ago, Dielac was Viet Nam's first powdered milk product for children. After 25 years of export to the Middle East, it has become a familiar brand there and is now available in nearly 60 countries.

Vinamilk is also listed among the top 40 largest dairy companies globally in terms of revenue and ranks sixth in the world's top 10 most valuable global dairy brands.

This year, all of Vinamilk's powdered milk products for children achieved the "Purity Award" – a prestigious award for strict standards of purity and food safety, with over 400 important criteria.

CEO of the International Dairy Federation (IDF) Piercristiano Brazzale hailed Vinamilk as a large, dynamic, innovative and efficient company in Viet Nam.

He affirmed that the IDF, which represents over 40 countries working together to develop the global dairy industry, welcomes Viet Nam to join it and stays ready to partner with Viet Nam and Vinamilk to develop the Vietnamese dairy sector.

**Research Team:**                      **Tsugami Shoji**    *Researcher*                      [jsi@japan-sec.vn](mailto:jsi@japan-sec.vn)

**Disclaimer:**

*Copyright 2015 Japan Securities Co., Ltd (JSI). All rights reserved. This report has been prepared on the basis of the information believed to be reliable at the time of publication as provided by StoxPlus (www.stoxplus.com) - An associate company of Nikkei Inc. and QUICK Corp. JSI makes no representation or warranty regarding the completeness and accuracy of such information. This report is provided, for information purposes only and does not constitute an offer or solicitation to buy or sell any securities discussed herein any jurisdiction. Investors must make their investment decisions based upon independent advice subject to their particular financial situation and investment objectives. This report may not be copied, reproduced, published or redistributed by any person for any purpose without the written permission of an authorized representative of JSI.*

***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](mailto:info@japan-sec.vn)*

*Website: [www.japan-sec.vn](http://www.japan-sec.vn)*