



VIETNAM DAILY NEWS



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Market Analysis

1. HoSE to help foreign investors

The southern bourse will work with the State Securities Commission (SSC) to review and prepare for the launch of covered warrants, monitor the trading of the new products and improve trading conditions.

In addition, the HoSE will research and develop new indices that underlie other derivatives products, and improve the quality and transparency of corporate reports and information disclosure.

2. Viet Nam stocks rise for a second day

The benchmark VN-Index on the Ho Chi Minh Stock Exchange gained 0.24 per cent to close yesterday at 989.26 points.

The southern market index rose 0.25 per cent on Thursday. After five trading days, it posted a weekly gain of 0.87 per cent.

The VN-Index marked its first growing week after having fallen total 3.07 per cent in two trading weeks since its six-month high of 1,011.86 points reached on March 18.

Liquidity improved with nearly 189.3 million shares being traded on the southern bourse, worth VND3.88 trillion (US\$166.7 million).

The market breadth was positive with 158 gaining stocks, 129 decliners and 67 flat-ending stocks.

Large-cap stocks slightly improved as the blue-chip VN30-Index inched up 0.04 per cent to 904.69 points with 17 gainers against 11 decliners.

Positive gains of technology and petroleum stocks continued supporting the market as they did in the morning trade.

The HCM City market regulator will continue carrying out and completing the corporate sustainable development index, help listed firms apply international standards in corporate governance, and encourage companies to disclose their information in both Vietnamese and English.

In 2019, HoSE targets more than 1 trillion VND in total revenue and 650.3 billion VND in pre-tax profit, and pays 476.3 billion VND to the State budget.

The two sector indices gained 1.2 per cent and 3.3 per cent, respectively, data on vietstock.vn showed.

Petro stocks were boosted by the recent uptrend of oil prices. Despite losing 0.5 per cent to trade at \$69 a barrel yesterday, Brent crude has increased gradually by total 37 per cent since last Christmas.

The recent gains of oil prices have increased investors demand for petroleum stocks in recent weeks on expectations those firms would release positive results for the first quarter of 2019.

Among local petroleum stocks, PetroVietnam Gas (GAS) advanced 2.5 per cent, PetroVietnam Drilling and Well Services (PVD) was up 1.6 per cent.

The tech sector was driven by the solo of CMC Corporation (CMG), which soared 6.8 per cent. The company shares have gained 64 per cent in more than three months.

CMC Corp has recently announced it earned total VND6 trillion in revenue and VND300 billion in pre-tax profit for the financial year 2018, which last from April 1, 2018 to March 31, 2019.

“The last two growing days have lessened the risk of deeper decline for the VN-Index when capital

flow is targeting companies that are expected to produce good outcomes for the first quarter,” Thanh Cong Securities Co (TCSC) said in its daily report.

“However, the VN-Index may still encounter strong resistance when it approaches the previous peak of 1,000 points.”

On the Ha Noi Stock Exchange, the HNX-Index added 0.42 per cent to end at 107.87 points.

The northern market index gained total 0.53 per cent in the last two trading days and total 0.40 per cent during the week.

More than 30.3 million shares were traded on the northern market, worth VND403 billion.

Macro & Policies

3. Vietnamese supermarkets replacing plastic bags with banana leaves

There is no denying that inexpensive plastics have made many aspects of food and water distribution much easier, however, emerging research and data from decades of increasing use of plastics suggest that people need to seriously re-evaluate their plastic usage.

As of 2018, about 380 million tonnes of plastic were produced worldwide each year. From the 1950s up to 2018, an estimated 6.3 billion tonnes of plastic have been produced worldwide, of which an estimated 9 per cent has been recycled and another 12 per cent has been incinerated.

Vietnam is one of Asia's five worst ocean plastic waste polluters, according to international organisations. With 13 million tonnes of waste released to the ocean every year, the country ranks 17th in the world for ocean plastic waste pollution, according to *Vietnamnews.vn*.

Although there are no official statistics about the amount and varieties of plastics in the Vietnamese sea and islands, plastic waste is easy to spot in Vietnamese waters, as the country's 112 estuaries carry plastics to the open ocean.

Numbers from the Vietnam Plastics Association illustrate the scale of the problem. In 1990, each Vietnamese consumed 3.8 kilogrammes of plastics per year, but 25 years later, the figure hit 41 kilogrammes.

As many as 1,000 plastic bags are used each minute, but only 27 per cent of them are treated and recycled.

On the plus side, the country in general and each citizen in particular has been making efforts to manage imported plastic scrap and monitor plastic production and consumption.

According to the media representative of Saigon Co.op, knowing the advantages of using natural materials to pack food, the corporation's supermarket system including Co.opmart, Co.op Xtra, Co.op Food, and Co.op Smile are experimenting and gradually replacing the packaging of fruits and vegetables by fresh banana leaves.

While banana leaf packaging is more expensive than nylon bags, the difference is not significant, making it a practical way for supermarkets and consumers to contribute to the environmental protection drive.

Wrapping vegetables in banana leaves was tested at Co.opmart Phan Thiet. Many customers were interested in seeing scallion, celery, and water spinach wrapped in fresh green banana leaves.

Like Saigon Co.op, understanding the alarming extent of climate change and the long-term harm of plastic bags, from April 1, 2019 Big C Hanoi supermarkets – including Big C Thang Long, Big C Long Bien, Big C Hadong, Big C Le Trong Tan, and Big C The Garden – will officially begin wrapping vegetables in banana leaves. Products in the scheme will include celery, green asparagus, cilantro, basil, lettuce, herbs, and dill, among others.

Lotte Mart Vietnam has been piloting the use of banana leaves instead of plastic bags at Lotte Mart in District 7, Ho Chi Minh City. The small, environmentally friendly changes elicited enthusiastic response from customers. The representative of Lotte Mart said that the supermarket is still testing the idea, but if it proves successful, Lotte Mart will replicate the scheme all across Ho Chi Minh City and other provinces.

4. Capital of newly-established firms surges

According to the General Statistics Office (GSO), the average capital for each new firm was 13.2 billion VND.

In March alone, 12,472 new companies were set up, with a combined registered capital of 128 trillion VND, a surge of 111 percent in quantity and 33 percent in capital compared to the previous month. Each company registered an average of 10.3 billion VND in capital.

Together with the 722 trillion VND of additional capital injected into companies already in operation, total capital poured into the economy in the first quarter of this year was 1,098 trillion VND, reported the GSO.

GSO Director Nguyen Bich Lam said that the impressive growth of business numbers in the first quarter show the efficiency of support activities for companies.

Businesses' confidence also rose as 54.6 percent of those in the processing-manufacturing industry expected better operations in the second quarter, said Lam.

The total number of labourers employed by new firms was 317,000, up 40 percent year-on-year.

During the period, the majority of new companies operated in the areas of retail, wholesale, automobile and motorbike repair, construction, and manufacturing-processing.

However, a number of sectors saw drops in the number of new businesses, including

accommodation and restaurant services (7.7 percent), financial-banking and insurance (14.2 percent), and mining (8.6 percent).

The Central Highlands region recorded the highest rise in business numbers at 15 percent, followed by the Red River Delta at 14.6 percent, the North central coast at 8.7 percent, the Southeast at 3.2 percent, and the Mekong River Delta at 3 percent.

On the contrary, the northern midland and mountainous region suffered a fall of 6.3 percent in the number of new firms.

The GSO reported that in the first quarter, 15,050 companies resumed operations, a surge of 78 percent over the same period last year, raising the total number of operating firms to more than 43,000.

The GSO said that in the first quarter, 14,761 businesses temporarily halted their operations, up 20.8 percent year-on-year, while 15,331 firms registered to dissolve, and 4,116 others completed dissolving procedures.

Nguyen Minh Thao, head of the Department of Business Environment and Competitiveness at the Central Institute for Economic Management, said that authorised agencies should work harder to speed up administrative reform to better serve businesses, thus encouraging startups and contributing to improving the scale and speed of economic growth.

5. New wave of investment expected in Industrial Zones

Gaw Capital Partners, a Hong Kong investment fund, has teamed up with NP Capital Partners to invest in IZ and logistics projects in Vietnam.

In late 2018, Mappletree Logistics Trust spent \$30 million to buy a storehouse in Binh Duong province from Unilever Vietnam. CRE, the biggest Japanese logistics firm, has invested \$6 million in

Sembcorp Infra Services which will develop 30,000 more square meters of storehouses in Vietnam.

The developer of Long Hau IZ has revealed that the third phase of Long Hau IZ in Nam Sai Gon area will start soon after administrative

procedures are completed. Long Hau 1 and Long Hau 2 are nearly fully occupied.

The developer of Long Hau has also injected money into the Da Nang market in the central region with a hi-tech workshop project worth VND1 trillion. The strong point of the project is the rent, just from \$3 per square meter per month, and the flexible land area of between 500 and 3,300 square meters.

Nam Tan Uyen IZ Company plans to kick off Nam Tan Uyen 3 project by the end of the second quarter. The joint venture between Warburg Pincus and Becamex IDC – BWID Industrial plans to continue expanding in Vietnam in the upcoming years.

Meanwhile, VSIP chain has been developing a series of new IZs in Nghe An, Quang Ngai and Binh Dinh. Truong Hai Automobile has decided to develop an IZ that serves hi-tech agriculture, capitalized at VND7.8 trillion in Thai Binh.

Analysts all predict that industrial property will be in higher demand in the time to come as

multinational corporations head for Vietnam to set up production facilities.

The corporations are mostly from Japan, South Korea and China. Vietnamese manufacturers, especially in automobile assembling, food processing and beverage industries, are also scaling up their production, so they need more premises.

A report from JLL Vietnam shows the high occupancy rate in IZs. The figure is 74 percent (18,000 hectares) in nearly 100 IZs in the eastern part of the southern region. The average rent in the area is \$63.3 per square meter. However, it is expected to increase slightly in the future when more foreign investors arrive and trade agreements are made public.

Some provinces and cities have adjusted their strategies to the new stage of development. Binh Duong, for example, seeks IZ projects associated with the development of smart city models, while HCMC plans to attract hi-tech foreign invested enterprises to IZs in the east.

6. Action plan to boost communications about VPA/FLEGT

Since Vietnam and the EU concluded negotiations on the VPA/FLEGT in May 2017 and signed the deal in October 2018, the demand for information on the agreement has surged, with different business groups requiring different information priorities.

The project, funded by the UN's Food and Agriculture Organisation (FAO)-EU FLEGT Programme, will help Vietnam build and carry out programmes for disseminating the agreement and the Vietnam Timber Legality Assurance System (VNTLAS) to relevant sides in an appropriate and effective manner. It will also help the country prepare for realising information disclosure commitments under the VPA/FLEGT.

At the launching workshop in Hanoi, Nguyen Tuong Van, Deputy Director of the VNForest division for science-technology and international

cooperation, said the project's main activities include assessing relevant sides' demand for information about the VPA/FLEGT, assessing the availability of the disclosed information, and building strategies and plans for communications and information disclosure.

The project will also compile and distribute a standardised set of materials about the agreement and the VNTLAS; provide information for the administrations of localities; and popularise information to domestic wood processors and exporters, FDI firms, and the media, she noted.

Information disclosure is currently facing numerous problems as there is a lack of sufficient, updated, and accurate data, while information and statistics are still scattered and do not match one another across various ministries and sectors.

Deputy General Director of VNForest Pham Van Dien said the VPA/FLEGT is legally binding, aiming to improve forest governance and promote the trade of legal wood and timber products from Vietnam to the EU. It will affect many parties in the country's wood supply chain, with each of them affected at different levels and thus each requiring access to information relevant to them about this agreement.

He emphasised the project's importance as Vietnam and the EU are preparing to implement the VPA/FLEGT. It will help solve communications and information disclosure issues so as to promote the agreement implementation.

In 2018, Vietnam earned 9.38 billion USD from exporting wood and forestry products, making up over 23 percent of the agriculture sector's export turnover and recording a trade surplus of 7 billion USD.

The country now has about 4,500 wood processing and forestry businesses, 95 percent of which are private firms.

Vietnamese wood and forestry products have been sold to over 120 nations and territories. The country is the fifth largest exporter of wood and forestry products in the world, second in Asia, and first in Southeast Asia.

7. Vietnam Private Economic Forum to be held in early May

The forum aims to review the implantation of a resolution on making the private sector an important part of the socialist-oriented market economy in Vietnam over the past two years.

The forum will include a plenary session, chaired by leaders of the Government, the Party Central Committee's Economic Commission and National Assembly.

Some 2,500 private firms will have a chance to voice their opinions and proposals to Party and Government officials.

Six seminars are set to take place, revolving around attracting wealthy tourists to stay for a long time in Vietnam; establishing argo-forestry-

fishery chains of high commercial value; and developing the digital economy and new business models; among others.

The commission has also planned a conference for female entrepreneurs and an exhibition on development achievements of outstanding private firms and investment connectivity activities.

Speaking at the press conference, deputy head of the commission Nguyen Huu Nghia said they will collect feedback from about 500 outstanding private companies nationwide and several reports from ministries and sectors to build a report on the development of Vietnam's private sector after two years implementing the resolution.

8. \$2.3bil poured into Chan May-Lang Co Economic Zone

Since Lang Co was voted one of the world's most beautiful bays by WorldBays Club in June 2009, it has become a popular destination for holiday-makers.

A festival will be held on May 16-17 to mark 10 years since the bay received the title.

Endowed with more than 10km of beach with white sand, Lang Co lies on the route "Central

Heritage Road" with four famous world heritage sites, including Phong Nha – Ke Bang National Park in Quang Binh province, the ancient imperial city of Hue, Hoi An Ancient Town and My Son Sanctuary in Quang Nam province.

The beach now attracts 16 percent of total visitors to Thua Thien-Hue.

Corporate News

9. MBN: Financial Statement FY 2018s

↑ 0.00%

File Attachment

[MBN 2019.4.5 45a540f financial statements.zip](#)

10.DVP: Board resolution on holding Annual General Meeting

↑ 1.57%

The Board of Directors of Dinh Vu Port Investment & Development Joint Stock Company approved to hold Annual General Meeting 2019 as follows:

- The BOD approved contents of Annual General Meeting 2019.
- Meeting time: 01:30pm, April 23, 2019.

Meeting venue: Meeting hall, floor 5, Dinh Vu Port Investment & Development Joint Stock Company.

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