



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. More purchases of small stocks this week: analysts

The benchmark VN-Index on the Ho Chi Minh Stock Exchange ended Friday at 970.03 points, for a total four-day decline of 1.73 per cent.

The index lost a total of 0.66 per cent last week.

Market sentiment was dragged down by fears about the escalation of the US-China trade war and the global economic slowdown.

Investors moved away from large-cap stocks and flocked to mid-cap and small-cap firms.

Weak purchasing power was the reason for lower trading liquidity.

An average of 124 million shares were traded through order-matching transactions in each session last week, down 6.4 per cent from the previous week.

In its report, BIDV Securities Corp (BSC) noted that the market was suffering from a shortage of capital inflow.

Including the May 21 purchase of nearly 51 million Vingroup shares worth VND5.7 trillion, Foreign investors last week net-bought a total of VND5.15 trillion (US\$221.4 million)

If the huge purchase is excluded, foreign investors net-sold a total of VND550.8 billion in the week.

This indicates investors' worries about the potential harm that the US-China trade war may have to the global economy, triggering them to run away from risky assets and buy safe ones.

Investors are becoming more defensive in this time, according to Phan Dung Khanh, head of the investment department at Maybank KimEng Securities Co.

Gold futures inched down 0.1 per cent to end Friday at \$1,286.60 for an ounce, but still recorded a weekly gain of 0.6 per cent.

In Viet Nam, investors looked for opportunities in mid-cap and small-cap stocks, especially those with supportive information and seasonal growth.

Large-cap stocks were often affected by the trading of exchange-traded funds (ETFs) and foreign investors, so it was reasonable to switch to mid-cap and small-cap stocks in the near future, Pham Duc Hoang, head of the market analysis division at Agribank Securities Co, told tinnhanhchungkhoan.vn.

“Seeking the stocks (of the companies) that have had good Q1 earnings growth but not yet made strong gains is not a bad idea,” he said.

Brewery stocks advanced last week. Sabeco (SAB) rose 1.6 per cent, and Habeco (BHN) soared 12.7 per cent mostly because of increasing consumption of beer in the summer.

Technology stocks also had a good week with the growth of FPT Corp (2.6 per cent) and CMC Corp (11.8 per cent).

Strong gains of tech stocks were attributed to Viet Nam benefiting from the US-China trade war, which is expected to move technological production of global companies from China to other countries in the Asia Pacific region.

“The VN-Index is basically in the short-term consolidation stage and the market clearly has little growth motivation,” the BSC report said. “The re-allocation of capital may help the market settle down after last week's declines amid lack of supportive information.”

However, last Friday's decline might be a bad signal for the stock market and it would likely keep declining this week, Hoang said.

“The VN-Index may find its break-even point at 950-960 points next week but it will not go back into the uptrend immediately,” he said.

Generally speaking, the Vietnamese stock market was being pressurised by the uncertainty of global economic and political developments, Asean Securities Co said.

The stock market's short-term direction was changing to “decline” and investors might want to strengthen their portfolios to improve risk management at the moment, the company said.

## 2. VN stocks tumble on international pressure

The benchmark VN-Index on the Ho Chi Minh Stock Exchange dropped 1.29 per cent to close at 970.03 points.

The VN-Index has lost a total of 1.73 per cent in the last four trading days, breaking through its expected support of 980 points.

That went against previous forecasts from securities firms before Friday's session opened.

The VN-Index was down 0.66 per cent this week.

More than 168 million shares were traded on the southern bourse, worth VND4.02 trillion (US\$172.8 million).

Large-cap stocks were the main factor that dragged the market down.

The large-cap VN30-Index plunged 1.18 per cent to end at 884.48 points.

In the VN30 basket, 19 of the 30 largest stocks by market value and trading liquidity declined.

Among losers were food and beverage producer Masan (MSN), Eximbank (EIB), PetroVietnam Gas (GAS), property firm Vinhomes (VHM) and SSI Securities Inc (SSI).

Those companies' sector indices dropped between 1.4 per cent and 3 per cent, data on vietstock.vn showed.

Selling pressurised large-cap stocks, especially when foreign investors net-sold VND285.4 billion worth on the southern market, Thanh Cong Securities Co (TCSC) said in its daily report.

Strong foreign selling created negative impacts and made it more difficult to predict how the market would move in short term future, the company said.

Global investors were still keeping a cautious stance towards the US-China trade war with focus on Chinese technology firms, including Huawei.

According to BIDV Securities Corp (BSC), the correction continued as both domestic and international markets were vulnerable because of the unpredictable developments from the US-China trade tension.

Investors also worried about the global economic growth, which would be affected by the trade war, BSC said.

The market may continue falling in the short term because the VN-Index has lost its technical support (of 980 points), according to MB Securities Co (MBS).

The VN-Index may move between 950 points and 980 points in the near term, and trading would get more and more difficult, MBS said.

On the Ha Noi Stock Exchange, the HNX-Index fell 0.86 per cent to end at 105.39 points.

The northern market index has declined by total 0.38 per cent through the week.

More than 32 million shares were traded on the northern bourse, worth VND426.5 billion.

## Macro & Policies

### 3. China exempts tariffs on 33 Vietnamese seafood exports

The products include lobster, tiger prawn, sea shrimp, cod, clams, frozen tra and basa fish, round scads, tuna and octopus.

More than 150 Vietnamese enterprises export seafood products to China, including about 45 tra and basa enterprises and nearly 50 shrimp exporting enterprises, among other seafood enterprises, according to VASEP.

With China easing its import policy, Viet Nam is expected to enhance its exports to the world's most populous market. China is considered one of the most important markets for Vietnamese seafood, with average export value from Viet Nam to China reaching over US\$1 billion per year.

In 2017, Vietnamese seafood export value to China increased nearly 50 per cent year-on-year to \$1.3 billion, according to the association.

However, the export value fell slightly by 5 per cent year-on-year in 2018 to \$1.2 billion. It also fell by 5 per cent in the first quarter of the year, to \$239 million.

Truong Dinh Hoe, VASEP Secretary General, said the fishery industry set a target to export over \$1.5 billion seafood products this year to China, where seafood consumption is increasing.

Large provinces in China are concerned about direct trading activities with Vietnamese seafood firms instead of buying via intermediaries. As e-commerce in China is developing quickly, many kinds of Vietnamese seafood have been introduced on e-commerce platforms.

Hoe said that Viet Nam could reach its target of seafood export value, which would be higher than the \$1.2 billion recorded last year.

Meanwhile, besides businesses' efforts to ensure quality standards, the State must strictly control cross-border export activities of seafood products to China to ensure fair competition for Vietnamese seafood businesses, he said.

### 4. US provides \$1.4 million for power plant feasibility study

The U.S. Trade and Development Agency (USTDA) has provided the money to monopoly power distributor Vietnam Electricity (EVN) to assess site selection and design for a \$1 billion LNG terminal and gas-fired plant.

EVN chairman Duong Quang Thanh said the grant would "help develop new power generation sources using LNG while solving the issues of power shortage and imbalance between supply and demand in southern Vietnam."

Vietnam's rapid growth in recent years has sent demand for energy skyrocketing. Its hydropower potential is almost fully exploited, oil and gas reserves are running low, and in the last few years

it has gone from being a net exporter to net importer of coal.

The government envisages total power generation to reach around 129,500 MW by 2030. Of this 19,000 MW will come from gas-fired plants, including LNG.

Foreign investors have expressed interest in LNG projects in the country. Thailand's Gulf Energy Development Public Company Limited said in March it was interested in building a \$7.8-billion LNG-fired power complex in Ca Na in Ninh Thuan.

The government is keen on LNG projects. In January Prime Minister Nguyen Xuan Phuc spoke

about the need to set up a \$4-billion LNG plant in the southern province of Bac Lieu.

The province had asked for a 3,200 MW LNG plant, which would cost \$4.3 billion.

Vietnam envisages building six LNG terminals at a cost of more than \$6 billion, according to the

country's gas industry development plan by 2025, with vision to 2035.

The World Bank has estimated Vietnam's electricity demand to grow by around 8 percent a year over the next decade, and said it would need to invest \$150 billion by 2030 to develop its energy sector.

## 5. U.S. helps launch gas-to-power project in VN

Participants in the event included U.S. Ambassador to Viet Nam Daniel Kritenbrink, USTDA Acting Deputy Director Todd Abrajano and Chairman for EVN Duong Quang Thanh. The Vietnamese Ministry of Industry and Trade has approved the project, allowing the EVN to receive a non-refundable aid worth more than US\$1.4 million from the USTDA.

Speaking at the ceremony, U.S. Ambassador to Viet Nam Daniel Kritenbrink said that one of the U.S. Government's priorities is to support nations and partners, including Viet Nam to realize goals to ensure power security in the world.

The project aims to address difficulties and challenges for Viet Nam's electricity system in the time ahead and make contributions to guaranteeing the national power security.

USTDA's feasibility study will set the initial parameters for the growth of LNG in the nation

and bring much-needed affordable and accessible power to Vietnam's southern region, while also opening new opportunities for U.S. firms to supply gas infrastructure solutions.

During the operation time in Viet Nam, the establishment of the close cooperation with the EVN is a huge success of the USTDA, said Todd Abrajano, adding that the USTDA expects that the signing of cooperative agreements will bring benefits for the U.S. enterprises and Vietnamese partners.

Over the recent decade, the EVN has received technical assistance on information technology and research and development on wind power plants, including the Grant Agreement for a technical assistance to carry out a research project on developing an energy storage system in Viet Nam.

## 6. Spectrum of opinion on credit moves

According to the State Bank of Vietnam (SBV), a new legal document aims to limit loans for the high-end real estate segment to ensure the sustainable development of the market and safety of the banking sector.

In a statement, the bank said, "The SBV will continue to control all loans for individuals especially in the high-end segment of accommodation."

The draft circular, however, has caused a shock to the whole market. It sets limits and a safety ratio for bank operations to apply a credit risk ratio of 150 per cent as from January 1, 2020 for any home purchasing loan worth more than VND3 billion (\$130,430), three times higher than the current ratio of 50 per cent.

According to many experts, that increase of credit tightening for homes could undermine the real estate market. Banking expert Nguyen Tri Hieu

said that this limit would have a very big impact on the market.

“If this draft circular is put into force, homebuyers will have to burden a very high interest from banks for their loans. This can have negative impacts on borrowers and it also decreases the liquidity of the entire market,” said Hieu.

“Loans for buying homes now are mostly for the mid- and long-term, from five to 15 years. At some banks, the period can be as long as 20 years,” Hieu continued.

“Therefore this credit squeezing will force bankers to increase long-term credit to restructure their capital resources. In fact, to minimize their risk, lenders will mostly have short-term credit at the banks. And, in a circular fashion, to attract long-term loans, banks will have to increase their saving interest and the loan interest therefore also must be increased.”

### Considering the long-term

According to Nguyen Van Dinh, vice chairman of the Vietnam Association for Realtors, tightened credit in any segment would also impact the investment and transactions of the market.

“If this is long-lasting, it will impact the high-end segment at a time when Vietnam is on its way to making the infrastructure system more complete in both modern urban and residential areas,” Dinh said. “Therefore, the tightening for the high-end segment should be in the short-term only, in an aim to avoid negative impacts on the market, especially in cities like Hanoi and Ho Chi Minh City.”

A real estate developer who declined to be named told VIR that, with high-end apartment units starting from VND3 billion (\$130,430) and villas being priced from VND7 billion (\$304,350), the majority of buyers are using loans from banks, especially investors who buy the property and then re-sell it for profit or set up for lease.

This developer said that instead of limiting credit for buyers, banks should review all current loans

for developers and wipe out discredited and incapable ones to avoid incoming credit risks.

Former Deputy Minister of Construction Nguyen Tran Nam agreed that credit limitation should not be applied at this moment. “The limit for loans worth more than VND3 billion (\$130,430) is not reasonable, because only wealthy people can afford them and people should not be limited because they are incapable in paying loans,” Nam said.

Instead of limiting credit in homes, Nam said, the SBV should limit loans on land purchasing, since in most cases people are buying land plots and keep it for price hikes. Therefore, they bear much risk if their land cannot be sold and they would not be able to pay loans to the banks.

### The solution to market control

Despite facing opposition on the draft's details, banking experts also said that under the view of controlling the market, credit tightening is a must-need solution.

According to economist Vo Tri Thanh, if the limit is put into force, developers may be faced with obstacles in the short-term. However, businesses could be better off over time.

“We should not soon conclude that credit tightening into real estate would make only a negative impact yet. We must have close control on the market to avoid bubbling in the real estate market which will have a domino effect into the whole economy,” Thanh said. “This tightening may have temporary impacts to real estate developers but it will make the market more stable and healthy in the long-term.”

Nguyen Manh Ha, vice chairman of the Vietnam Real Estate Association, said that the credit squeeze on the high-end segment was significant because experience from previous crises in real estate shows that the high-end segment would be the most impacted. “Large units with high prices must be controlled because these are the foremost segments to be impacted when the market experience any turbulence,” Ha said.

Elsewhere, Nguyen Manh Khoi, deputy director of the Ministry of Construction's Department for Housing and Property Market Management, said that the draft circular is expected to have positive impacts on the market, but it needs some time to prove the effects.

“The central bank's tightening of credit for real estate will also be a chance for businesses to restructure their investment strategies and financial resources from other channels such as international partners or from issuing bonds or stakes in the security market, not to be too dependent on bankers,” Khoi said.

#### Draft circular on credit tightening

The State Bank of Vietnam is currently gathering opinions from the public on a draft circular about limits and safety ratio for bank operations in credit institutions and foreign banks, to replace Circular No.36/2014/TT-NHNN regulating prudential ratios for the operations of credit institutions and foreign banks.

Accordingly, a credit risk ratio of 150 per cent is to apply for any home purchasing loan worth more than VND3 billion (\$130,430) as from January 1, 2020.

The central bank also plans to apply risk ratio of 50 per cent for loans which are deposited by house, land, and construction sites for the purpose of doing business; loans for individuals to buy social housing, and buying houses from projects supported by government; and individual loans worth below VND1.5 billion (\$65,220).

It also expects to reduce the short-term funds used for mid- and long-term loans from 40 per cent by June 30, 2020 to 35 per cent from July 1, 2020 to June 30, 2021, and to 30 per cent from July 1, 2021 onward.

The aim is to limit loans for the high-end real estate segment to ensure the sustainable development of the real estate market and safety of the banking sector.

#### Apartments sold in the first quarter of 2019

Attributed to the government's tightening of credit into real estate, in the first quarter of 2019, there were 4,423 newly-launched units in Ho Chi Minh City, a fall of 54 per cent on-year. In times of limited new supply, inventory is being absorbed very positively, evidenced through busy activities at recent sales events. There were 5,924 units that were sold in this quarter, 1.3 times higher than the new supply level.

Meanwhile in the first quarter of this year, the Hanoi condominium market recorded one of the highest number of units launched in a quarter. A total of 11,822 units were launched from 26 projects, up by 46 per cent as compared to the same period of 2018. An estimated 9,390 units were sold during the quarter, 36 per cent higher than that of the same period of last year.

Ben Gray - Director of Capital Markets Cushman & Wakefield Vietnam

The proposed adjustment to the risk weighting of residential properties will require a lender to carry a capital cushion relative to these loans of 1.5 times the loan amount. This mirrors Circular 36's requirement for banks to increase their risk weighting for lending into the real estate sector and is a sensible move by the SBV to bring bank lending into the real estate sector under control, and in line with international standard for capital adequacy ratios (CAR).

In the short term, this may see bank lending to buyers of residential developers' product slow nominally. However, the retail home buyer mortgage market accounts for a very low volume of primary sales made by developers as their projects are released to market. The penetration of retail mortgage debt into the market in Vietnam is very low at 4.7 per cent of GDP. Compare this to Singapore at over 52 per cent and Malaysia at 44 per cent of GDP, it can be seen that buyers in Vietnam do not borrow from banks at nearly the same level as our regional peers at present. Developers should therefore not see a significant impact on sales velocity in the short-term, and we feel that the banks need to increase lending into

this market, so will be incentivised to ensure that their CAR are sufficient.

LE HOANG CHAU - Chairman, Ho Chi Minh City Real Estate Association

We suggest the SBV extend the application of regulations on banks' maximum ratio of short-term funds used for medium- and long-term loans until the end of 2020 instead of June 2020 as expected.

We propose the rate should be reduced to 37 per cent starting from January 1, 2021, 34 per cent from July 1, 2021, and 30 per cent from July 1, 2022.

The moves were announced after the SBV released a draft circular stipulating that the maximum ratio of short-term funds used for medium- and long-term loans at banks would be reduced from the current 45 per cent to 40 per cent from 2019 to June 30, 2020.

Under the SBV's draft circular, the rates of 37 and 30 per cent will be applied from July 1, 2020 and July 1, 2021, respectively.

This draft circular, if put into force, will damage the real estate market as property enterprises are in dire need of medium- and long-term loans. It has been explained that due to the large proportion of short-term capital in banks' total mobilised capital, lenders will find it difficult to meet the demand of the real estate market.

## 7. Vietnam ranks 31st worldwide for increase in coworking space

CoworkingResources, a global informational hub for modern workspaces, released the results of its 2019 Global Coworking Growth Study on Wednesday.

The study extensively researched the opening of new coworking spaces around world over a ten-month period, from June 2018 to April 2019, using data collected and categorized from web and

Peter Ryder - CEO, Indochina Capital

The Vietnamese government is definitely tightening credit, which will make it more difficult for people to borrow. We are foreign developers who also depend on local credit. Typically, we invest around 50 per cent equity and then borrow 50 per cent from local banks, not foreign banks. This is because we want to match the revenue with the debt in VND. I think there is going to be an impact via these changes. Successful real estate developers will continue to be able to borrow from banks because they have track record and have feasible projects. So it won't really impact too much on foreign developers compared to domestic ones. Especially, it may be more difficult for domestic developers who are inexperienced and have a poor borrowing track record. However, I think there will continue to be enough credit to support the developers.

The tightening also helps make the market become healthier because credit institutions and banks should be forced to be very careful and stay out of trouble.

If we look at the global financial crisis we can see that actions from banks can kill the economy. Many bankers were arrested for giving loans to developers with poor track records, and have to burden bad debts.

social media announcements, as well as industry newsletters.

Accordingly, Vietnam is ranked 31st among the top 50 major countries and territories in terms of coworking growth per capita.

**Top Countries Worldwide by Coworking Growth Per Capita**

Rank	Country	Coworking Growth Per Capita
1	Luxembourg	8.5
2	Singapore	4.7
3	Ireland	4.4
4	New Zealand	4.2
5	U.K.	4.0
6	Australia	3.2
7	Canada	2.8
8	U.S.	2.8
9	Hong Kong	2.0
10	Bulgaria	1.8
11	Switzerland	1.8
12	Belgium	1.7
13	Portugal	1.5
14	Finland	1.4
15	Denmark	1.1
16	Malaysia	1.1
17	Israel	1.0
18	Sweden	0.9
19	The Netherlands	0.7
20	U.A.E.	0.7
21	Spain	0.5
22	Germany	0.4
23	South Africa	0.4
24	Morocco	0.3
25	Philippines	0.3
26	France	0.3
27	Poland	0.3
28	Thailand	0.2
29	Kenya	0.1
30	Italy	0.1
31	Vietnam	0.1
32	Indonesia	0.1
33	India	0.1
34	Japan	0.1
35	Bangladesh	0.1

Luxembourg, Singapore and Ireland stand as the top three, with the first chalking up 8.5 new spaces annually for every 1,000,000 inhabitants, almost double the other two's figures.

New Zealand, the UK, Australia, Canada, the U.S., Hong Kong, and Bulgaria rounded out the top ten.

Among other findings, Ho Chi Minh City placed 41st out of the 50 fastest-growing cities in the world in terms of coworking space growth.

London tops the list, with a coworking space opening in the English capital city every five days, followed by New York, Toronto, Austin, Denver, Dallas, Los Angeles, Houston, Melbourne, and Chicago.

**Top 50 Cities Worldwide by Coworking Growth**

Rank	City	Days Between New Space Opening
1	London, U.K.	5
2	New York City, NY, U.S.	7.5
3	Toronto, Canada	13
4	Austin, TX, U.S.	15
5	Denver, CO, U.S.	16.8
6	Dallas, TX, U.S.	17.8
7	Los Angeles, CA, U.S.	17.8
8	Houston, TX, U.S.	19
9	Melbourne, Australia	20.4
10	Chicago, IL, U.S.	20.4
11	Manchester, U.K.	21.9
12	Berlin, Germany	21.9
13	Sydney, Australia	23.8
14	Manila, Philippines	23.8
15	Kuala Lumpur, Malaysia	23.8
16	Bangalore, India	23.8
17	Singapore, Singapore	25.9
18	Columbus, OH, U.S.	25.9
19	Cape Town, South Africa	25.9
20	Paris, France	28.5
21	Mumbai, India	28.5
22	Leeds, U.K.	28.5
23	Bristol, U.K.	28.5
24	New Delhi, India	31.7
25	Barcelona, Spain	31.7
26	Baltimore, MD, U.S.	31.7
27	Philadelphia, PA, U.S.	35.6
28	San Diego, U.S.	35.6
29	Gurgaon, India	35.6
30	Warsaw, Poland	40.7
31	Vancouver, Canada	40.7
32	San Francisco, CA, U.S.	40.7
33	Salt Lake City, UT, U.S.	40.7
34	Portland, OR, U.S.	40.7
35	Memphis, TN, U.S.	40.7
36	Lisbon, Portugal	40.7
37	Bangkok, Thailand	40.7
38	Washington D.C., U.S.	47.5
39	Tampa, FL, U.S.	47.5
40	Jakarta, Indonesia	47.5
41	Ho Chi Minh City, Vietnam	47.5
42	Dhaka, Bangladesh	47.5
43	Cleveland, OH, U.S.	47.5
44	Charlotte, NC, U.S.	47.5
45	Brussels, Belgium	47.5
46	Brisbane, Australia	47.5
47	Boston, MA, U.S.	47.5
48	Belfast, Northern Ireland	47.5
49	Auckland, New Zealand	47.5
50	Amsterdam, The Netherlands	47.5

On a global scale, the number of coworking spaces worldwide is estimated to hit 18,000 by the end of this year, a drop from last year.

However, the industry is forecast to grow at a strong pace and the number of coworking spaces around the globe is expected to increase by 42 percent to 25,968 spaces by 2022.

In addition, the growth figures for 2019 indicate less expansion, but may also represent the industry's focus on growing existing spaces by elevating occupancy rates and profitability.

## 8. Dairy industry to boost exports

The export value of dairy products and fresh milk reached US\$48.6 million in the first three months of the year, with the main export markets in Iraq, Hong Kong, mainland China, Afghanistan, the Philippines and other countries, including UAE, Laos, Myanmar and Japan.

Exports are expected to grow strongly this year as domestic enterprises are targeting expansion of their overseas markets.

Two of Viet Nam's dairy giants, Vinamilk and TH True Milk, have been expanding investment in other countries.

Vinamilk has invested in fresh milk and dairy product and processing in the US, New Zealand, Cambodia, Poland, Laos and Myanmar.

This year Vinamilk invested in its first factory in Myanmar to meet the increasing demand for milk and milk products there.

Milk consumption in Myanmar, which has a population of 55 million, is 10 litres per head per year, very low compared to other markets in the region, such as Thailand with 36 litres and Malaysia with 53 litres.

TH True Milk recently invested in a US\$2.7 billion project to raise cows and process milk in Russia.

Exports of milk and dairy products are also expected to increase sharply in the future after the Protocol on exports of Vietnamese milk and dairy products to China, a market of 1.4 billion, was inked on April 26

According to the Food and Agriculture Organisation's 2018 global dairy market report, China produced 25.6 million tonnes of milk, down 1.1 per cent from 2017. In order to meet domestic consumption of milk and dairy products, the country annually imports 14.6 million tonnes of milk.

Nguyen Quoc Toan, acting director of the Ministry of Agriculture and Rural Development's Agro Processing and Market Development Agency, told local media at a recent conference in Ha Noi that there was great potential for exporting milk and dairy products to China.

However, Toan said that Vietnamese exporters faced challenges because milk from Australia and New Zealand has occupied a large market share in the Chinese market. "Vietnamese milk exports to China are promising but they will face competition from these two giants."

"To expand Viet Nam's export market in the coming time, businesses in particular and the dairy industry in general should prioritise the modernisation of milk and dairy product processing technology that meets the requirements of China in the spirit of the Protocol signed recently," Toan said. "At the same time, product development should meet the demand of other potential markets such as Indonesia, Malaysia, the Philippines and Singapore."

The chairman of TH Group, Ngo Minh Hai, told diendandoanhngiep.vn that the door for milk and dairy product exports to the Chinese market has initially opened, but not all businesses in Viet Nam's dairy industry would be able to enter.

"China has technical barriers that force us to overcome. Companies must ensure two important requirements, including maintaining quality and product standards, and ensuring origin," Hai said.

The deputy head of MARD's Department of Livestock Production, Tong Xuan Chinh, said the Ministry of Industry and Trade should improve planning and supervision of the construction of milk processing plants, which must match the volume of local cattle herds and the consumption market.

Chinh said MARD would create a new policy to support the development of dairy farming and

milk processing in the 2020-30 period, promoting the industry as well as the export of milk and dairy products.

“The policy will be submitted to the Prime Minister for approval,” he added.

Chinh said that links between cow breeders and milk exporters should be tightened. Fresh milk from breeders has to be sold to businesses as soon as possible because breeders lack preservation

facilities. If they sell milk to the market, it is only a small amount.

Dairy enterprises need to reorganise the production of dairy cows in a closed chain, controlling disease safety and food safety.

At the same time, modernisation of facilities, raw milk purchasing centres, and modern milk factories must be established to meet the export demand of many markets, he added.

## Corporate News

### 9. CTG: The State Bank allows Vietinbank to issue bonds in 2019

↓ -1.40%

On May 22, 2019, Viet Nam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) received a decision from the State

Bank of Viet Nam regarding the bond issuance. Accordingly, Vietinbank was approved the plan for public offering of VND10,000 billion of bonds in 2019.

### 10.EIB: EIB delays the second annual general meeting of 2019

↓ -2.73%

Vietnam Export Import Commercial Joint Stock Bank announces that it will delay the second

annual general meeting of 2019 until the end of June 2019.

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