



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. Trade war worries shadow earnings hopes, oil gains

The benchmark VN-Index on the Ho Chi Minh Stock Exchange ended down 0.04 per cent at 987.83 points after having gained 0.38 per cent during the day.

The benchmark rose 0.52 per cent on Tuesday.

More than 182.5 million shares were traded on the southern bourse, worth VND4.1 trillion (US\$176.3 million).

The benchmark VN-Index struggled due to market sentiment clouded by pessimism about the chance of a deal between the US and China to cool down their trade war.

The two governments this week have announced some restrictions on each other's businesses and administrative work, which will trim the chances of them reaching an agreement this weekend.

According to Bao Viet Securities Co (BVSC), negative developments in US-China trade relations would ruin the domestic market's short-term growth.

Insurance, securities, food and beverage, healthcare and pharmaceuticals, seafood processing and rubber were among the sectors that declined.

Large-cap stocks provided little support for the market, as the 30 largest stocks by market capitalisation and trading liquidity were on different paths.

Half of the blue chips in the VN30 basket declined while 12 increased, pulling the VN30-Index down 0.08 per cent.

Decliners in the large-cap group included dairy firm Vinamilk (VNM), insurer Bao Viet (BVH), brewer Sabeco (SAB) and SSI Securities (SSI).

On the positive side, earnings prospects continued lifting retail, technology, building materials and construction industries, according to Thanh Cong Securities Co (TCSC).

Energy firms also helped cushion market confidence on Wednesday following increases in oil prices.

Brent crude and West Texas Intermediate (WTI) crude gained nearly 1 per cent each on Wednesday.

PetroVietnam Gas (GAS) was up 0.4 per cent and PetroVietnam Drilling and Well Services (PVD) rose 1.2 per cent.

Wednesday's decline proved the benchmark VN-Index had just technically recovered on Tuesday and investors were clearly doubtful and waiting for better market conditions, MB Securities Co (MBS) said in its daily report.

The VN-Index would continue swinging in the 980-990 point zone with a focus being put on banks and other stocks with expectations of positive earnings reports, the company said.

On the Ha Noi Stock Exchange, the HNX-Index gained 0.68 per cent to close at 104.62 points, totalling two-day growth of 0.86 per cent.

More than 23.2 million shares were traded on the northern bourse, worth VND317.4 billion.

## Macro & Policies

### 2. Vietnam runs trade deficit of nearly US\$28 billion with China

The country's total import-export turnover during the nine-month period stood at an estimated US\$382.72 billion. Most notably, the nation raked in US\$194.3 billion from exports, up 8.2 per cent, while imports surged by 8.9 per cent to approximately US\$188.42 billion.

Exports to Japan, the Republic of Korea, ASEAN, and Russia have experienced an upward trend with respective increases of 10 per cent, 8.1 per cent, 4.7 per cent, and 13.9 per cent.

With regard to the Chinese market, roughly US\$ 83.25 billion was recorded in total two-way trade turnover as of the end of the third quarter, with Vietnam's trade deficit with China showing signs of widening.

During the reviewed period, Vietnam's exports to China dipped 3.8 per cent to US\$27.75 billion in

comparison to the last year's corresponding period.

In contrast, Vietnam spent close to US\$55.5 billion importing goods from the Chinese market, up 17.3 per cent.

Over the course of the year, the country's trade deficit with China has widened to some US\$27.75 billion, a sharp rise compared to the figure of US\$25 billion in the first eight months of this year.

A number of key imports from China included machinery, equipment, tools and spare parts, computers, electronics and components, in addition to phones and components, while the country's major exports were computers, electronics and components, phones and components, and farm produce.

### 3. Work on Saigon metro might stop: mayor

Phong said the city has made a proposal to increase investment in Metro Lines 1 and 2 and needs to complete documents for submission to the municipal People's Council by October 21. However the Ministry of Planning and Investment and the Ministry of Finance have remained silent so far.

If all the administrative work is not finished by next month, contractors who have not been paid are likely to stop work on Metro Line 1 and this could result in legal issues, he said, adding that Metro Line 2 could also lose its funding as a result.

The delays in the two metro lines could affect the relationship between Vietnam and the countries that have provided official development assistance (ODA) loans for the projects, and could lower Vietnam's possibility of acquiring loans in the future, Phong said.

Local and international observers could form negative opinions about the implementation of ODA-funded projects in Vietnam, he added.

HCMC's Metro Line 1, or Ben Thanh-Suoi Tien metro, is to run nearly 20 kilometers (12 miles) through the city's 1, 2, 9, Binh Thanh and Thu Duc districts, and the neighboring Binh Duong Province's Di An District.

It is now 67 percent complete and expected to begin operations in April 2021.

The project was first approved in 2007 at a cost of VND17.4 trillion (\$750 million). Later, in 2010, a proposal was made to triple the investment to VND47 trillion (\$2 billion). However, the proposal has not been approved.

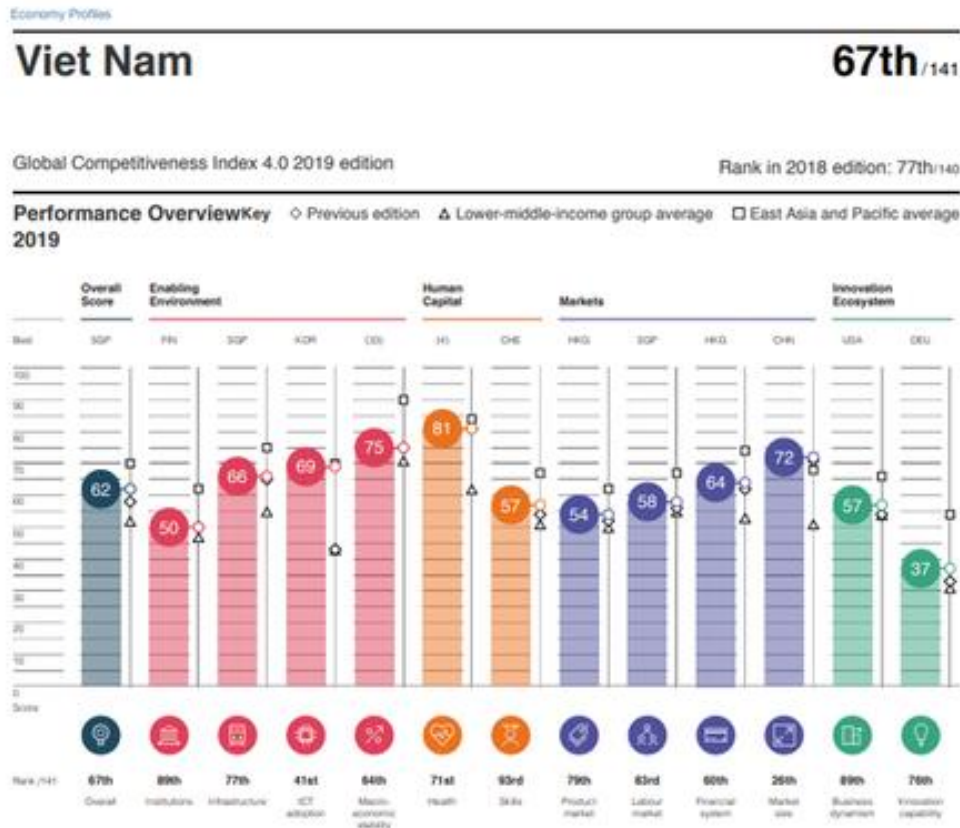
Metro Line 2, or Ben Thanh-Tham Luong, has seen its proposed cost almost double from VND26 trillion (\$1.1 billion) to VND48 trillion (\$2 billion). Completion time has been rescheduled from 2024 to 2026 because of prolonged administrative delays.

Only an administrative building as part of the project has been finished. When completed, the

metro will run 11.3 kilometers (7 miles) through districts 1, 3 10, 12, Tan Binh and Tan Phu, mostly

underground.

#### 4. Viet Nam up 10 steps to 67th in the global competitiveness report



The latest competitiveness figures released by the Global Competitiveness Report revealed Viet Nam has jumped 10 places in the world rankings to 67th spot with 61.5 points, that's a rise of 3.5 points compared to last year.

The Global Competitiveness Report gains its information from competitive indicators including gross domestic product, quality of overall infrastructure, effect of taxation on incentives to invest and the availability and quality of information and legislation are statistically significant.

The latest statistics released on Wednesday also put Viet Nam among the countries with the lowest risk of terrorism and among the most stable levels of inflation.

Regionally, the East Asia and Pacific region ranks as the most competitive in the world, ahead of Europe and North America.

Singapore leads the regional and the global ranking thanks to a top-10 performance in seven of the 12 GCI pillars, including Infrastructure (95.4), Health (100), Labour market (81.2), Financial system (91.3), quality of public institutions (80.4) and it takes advantage of being the most open economy in the world. It is followed by Hong Kong SAR (3rd), Japan (6th), and Korea (13th) and Viet Nam is 67th.

Although the region is home to some of the most technologically advanced economies in the world, the average scores of the innovative capability (54.0) and business dynamism (66.1) are relatively low, lagging behind Europe and North America.

## 5. Norway aids Vietnam in industrial marine aquaculture & processing

The Norwegian Embassy and the Ministry of Agriculture and Rural Development (MARD) today [October 9] co-hosted a national seminar on blue ocean economy in the central coastal province of Khanh Hoa.

The seminar was attended by Norway's Ambassador to Vietnam Grete Løchen, Deputy Minister of Agriculture and Rural Development Phung Duc Tien, and over 150 participants representing ministries and central agencies; departments of agriculture and rural development, and departments of science and technology of several coastal provinces with potential to develop marine aquaculture industry; Vietnam Directorate of Fisheries (D-Fish); Innovation Norway in Vietnam; Norwegian Seafood Council; relevant international organizations in Vietnam; academia and institutes on fisheries; and a large number of Vietnamese and Norwegian businesses.

The one-day seminar serves as forum for Norwegian and Vietnamese policy makers, researchers and creative business community to meet and share information and experience about the government planning and management of the marine aquaculture industry, needs for green technologies and smart solutions for the industry's sustainable development, challenges including financing, solutions as well as to promote transfer technology and explore potential opportunities for cooperation.

Focusing on green technologies and solutions for sustainable industrial marine aquaculture, the seminar covers the entire value chain in the industry from genetics breeding, fish health, feed, farming techniques, to fish handling & marine rest raw materials processing.

“Building on over 30 years of cooperation between Vietnam and Norway in the fishery sector including aquaculture, this seminar is a good opportunity for Vietnam and Norway to exchange information and experience in relation to sustainable development of industrial-scale marine aquaculture. Vietnam sees Norway as one of its preferred partners in this industry”, said MARD Deputy Minister Phung Duc Tien.

“At the UN Climate Action Summit in New York two weeks ago, the High Level Panel for a Sustainable Ocean Economy chaired by our Prime Minister Erna Solberg launched a Call for Ocean-Climate Action which highlights five areas including sustainable development of fisheries and aquaculture that can help boost ocean health and mitigate climate crisis. We have learned many good and practical lessons from the sustainable development of our salmon industry, and Norway is ready to share it with Vietnam”, said Ambassador Grete Løchen.

Top leaders of 12 Norwegian organizations take part in this Seminar. Each of them represents a link of the entire value chain and has unique and interesting experience to share about, for example, the importance of applied genetics in breeding as a driver for sustainable seafood, feeding solutions for marine fish species, new modern fish farming techniques, how to handle fish from sea to processing plant, particularly how to turn marine rest raw materials into high quality human grade & feed grade products. As part of the seminar, Director General of D-Fish Tran Dinh Luan and Norwegian Commercial Counsellor Arne-Kjetil Lian co-chair a discussion session on possible ways for Vietnam to develop an industrial marine aquaculture industry in an effective and sustainable manner, and how the two countries and businesses can cooperate in this course.

A display area at the Seminar provide the participants with an overview of the current advanced green technologies used in Norway's industrial-scale marine farming and processing industry.

After the seminar, on 10 October, Vietnamese and Norwegian businesses will join a field trip to visit the barramundi hatchery of Australis Vietnam Co. Ltd, and learn about practices of pompano and barramundi aquaculture in the industrial cage farming system in Khanh Hoa province.

During Vietnamese Prime Minister Nguyen Xuan Phuc's visit in May to Norway, which is well-known for its maritime economy, blue ocean economy was a focus on the agenda.

## 6. Conference considers reward strategies for firms to attract, keep talent

Delegates said industry 4.0 technology brings businesses opportunities but also challenges, requiring them to adjust their operation processes and business strategies based on evolving requirements.

“But no matter how far technology develops, the emotional factor is always an important foundation,” Le Thu Thuy, CEO of SeaBank, said.

Human resources are always a top priority, and how to align the human resources strategy with business strategies to leverage business growth is a concern in the digital age, according to Thuy.

Speaking about her experience in building an efficient rewards strategy, she said positioning the corporate culture and enabling an innovative growth mindset in every employee are very important.

The culture is the "soul" of every business, and stems from every employee in that organisation, and HR and the CEO's mission is to create a working environment and build a corporate culture where every employee feels happy, respected and listened to and is given the opportunity to develop to their fullest potential.

Quyen Le, cluster HR business partner director, Coats Phong Phu, said HR strategists needed to understand their organisation's business strategies and priorities, and understand the demand and desires of their existing and future employees and their priorities, thereby developing a rewards strategy that harmonises both companies and employees' top priorities.

She said the remuneration policy must be consistent and connected with the organisation's core values, and have a positive impact on the business strategy.

Secondly, the remuneration strategy should be competitive, fair and flexible, along with transparent and open communication with employees, she said.

In addition, the effective use of rewards funds, constant updating of the market benchmark and improving remuneration strategies to meet employees' needs were also indispensable in building a smart remuneration framework, delegates said.

Many people think an attractive salary would attract and keep talent, but it was not enough, Nguyen Thi Quynh Phuong, director of executive search and selection at Talentnet, said.

"Besides the salary, factors like bonus, rewards, opportunity to grow their career in the company, and the company having a positive impact on society and the environment are also very important to attract and retain talent, especially young people," she added.

### Remuneration survey

The event also saw the release of Talentnet – Mercer's remuneration survey report results covering data from 16 industries and 543 multinationals and 62 large local companies with over 342,000 employees.

The report covers salary increases, common allowances, bonuses, employee turnover rates, and other data.

It found that the salary increase in 2019 was 8.6 per cent at multinational companies and 8.9 per cent at local businesses, higher than Viet Nam's inflation and GDP growth rates.

Technology, chemical and trading were the sectors with the highest salary increases of 10.2 per cent, 9 per cent and 8.6 per cent.

Oil and mining, education and financial services-banking reported the lowest increases of 4.5 per cent, 6.6 per cent and 6.9 per cent.

In terms of bonuses, non-banking financial services and insurance topped with 30.4 per cent and 22.9 per cent of the annual base salary.

There was a remarkable increase in the bonuses paid in the agricultural sector (19.4 per cent).

Logistics, retail and education had the lowest bonus rates of 13.8 per cent, 14.8 per cent and 15.4 per cent.

The 2019 Vietnam Rewards Summit, organised by Talentnet Corporation, attracted over 600 local and foreign business leaders and HR professionals.

## Corporate News

### 7. CTG: Notice of the 2nd bond issuance in 2019

↑ 2.65%

Viet Nam Joint Stock Commercial Bank for Industry and Trade announces the result of the 2nd private placement of 2019 as follows:

File Attachment

[20191009 CTG-191009-Notice-of-the-2nd-bond-issuance-in-2019--PV.pdf](#)

### 8. DGW: Record date to collect shareholders' opinion

↓ -2.20%

On October 08, 2019, the Hochiminh Stock Exchange issued Announcement No.1248/Tb-SGDHCM about the record date of DIGIWORLD CORP as follows:

- Ex-right date: October 31, 2019
- Record date: November 01, 2019
- Exercise ratio: 01 share – 01 voting right
- Reason & purpose: to collect shareholders' opinion in writing.
- Content:
- + Exercise ratio: 1:1 (01 share – 01 voting right)
- + Time of implementation: expected in November 2019
- + Meeting venue: at head office
- + Content: to supplement its business lines



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