



VIETNAM DAILY NEWS

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Table of content

Table of content

- 1. VN stocks show signs of recovery**
- 2. Japanese boost investment in Vietnamese agriculture**
- 3. Thai Nguyen striving to modernise infrastructure**
- 4. Quang Binh enticing serious investors**
- 5. Plastics & Rubber Vietnam is on horizon**
- 6. Plastic and rubber industry sees sustainable growth**
- 7. EIB: Resolution of Extraordinary General Meeting 2019**
- 8. TMS: Notice of the record date for the first phase of 2018 dividend payment**

Market Analysis

1. VN stocks show signs of recovery

Viet Nam's benchmark VN-Index inched down on Monday but a positive performance by large-cap stocks signalled the market has escaped from its short-term downtrend.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange fell 0.15 per cent to close at 976.35 points.

The VN-Index lost 3.2 per cent last week.

Investors calmed on Monday after the VN-Index suffered a three-straight-day decline last week, Sai Gon-Ha Noi Securities Co (SHS) said in its daily report.

More than 189.3 million shares were traded on the southern bourse, worth nearly VND4.1 trillion (US\$176 million).

On Friday, more than 230 million shares were exchanged on HoSE, worth VND5.62 trillion.

The VN-Index bounced back on Monday after hitting the support level of 970 points during the day.

The 970 point level proved to be good for the VN-Index as investors were willing to buy again, SHS said.

Large-cap stocks performed well on Monday to lift the large-cap VN30-Index up 0.28 per cent to 894.80 points.

Leading the southern bourse's growth were Eximbank (EIB), insurer Bao Viet Holdings (BVH), construction group Coteccons (CTD), Phu Nhuan Jewellery JSC (PNJ), and food and beverage firms Vinamilk (VNM) and Masan (MSN).

Monday's decline indicated the VN-Index had ended its uptrend that started in June, Thanh Cong Securities Co (TCSC) said in a note.

Investors had not given up on the market yet, so it was expected to grow in the coming days, TCSC forecast.

Normally, the market would need some time to settle after a series of declining days and the index would fluctuate in a tight range, SHS said.

On Tuesday, the VN-Index could witness a technical recovery to push 980 points, the company added.

On the Ha Noi Stock Exchange, the HNX-Index gained 0.37 per cent to end at 103.46 points.

The northern market index was down total 2.8 per cent last week.

Nearly 28 million shares were traded on the northern market, worth VND348.7 billion.

Macro & Policies

2. Japanese boost investment in Vietnamese agriculture

Nagura, Deputy Director of JETRO said Vietnam's agricultural sector has many advantages to attract Japanese investors, including a large market, stable economic growth and low labor costs. In the first nine months of 2019, 48 Japanese enterprises invested US\$270 million in Vietnam's agriculture, mostly in projects in the northern province of Ha Nam and the Central Highlands province of Lam Dong.

The 11-nation Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) that came into effect in January this year also provides opportunities for Vietnam and Japan, not only in trade but also in investment cooperation, technology transfer, and vocational training cooperation for agricultural workers.

While Japan needs a key partner to develop agricultural cooperation, Vietnam, with its great agricultural potential, is also in need of a large cooperation partner in this field.

According to the Japan International Cooperation Agency (JICA), the number of Japanese enterprises

wishing to develop agro-fishery projects in Vietnam is increasing and the number of Japanese businesses doing market surveys on investment in the country has been on the rise.

Kimura Yoshihisa, Senior Advisor on Agricultural Development Policy at JICA said Japanese agriculture has made progress through regrouping of lands to form larger cultivation areas for easier production mechanization and better access to traffic and irrigation systems, which help improve productivity and reduce costs. In addition, Japan established agricultural land banks and cooperatives to increase production scale and develop regional specialties, he said.

Agricultural enterprises pay special attention to international certifications on good agricultural practices (GAP) to gain consumer trust and improve quality, instead of competing with low prices and low profits. Vietnam's agricultural sector should also focus on this strategy, and Japan is willing to share with Vietnam its experiences to help Vietnam attract investment and develop the trade in farm produce.

3. Thai Nguyen striving to modernise infrastructure

In recent years, Thai Nguyen has been one of the top performers in urban development among the northern provinces and the country as a whole. The province's regional GDP increased by an average 11 per cent per annum during the 1997-2017 period, and in the five years from 2012 to 2017 it averaged 16.7 per cent per annum, hitting 33.2 per cent in 2015. In 2019's Provincial Competitiveness Index (PCI) initiated by the Vietnam Chamber of Commerce and Industry (VCCI), it ranked 18th nationwide.

According to VCCI chairman Vu Tien Loc, Thai Nguyen has acquired a stable position in the group of localities with good PCI performance. The province has received particular praise for its workforce training, the safety of its legal institutions, and the pioneering role of local governance, all of which are drawing attention from long-term investors. This explains why local

and global giants like Samsung, Vingroup, Xuan Truong, and TNG have chosen to launch major projects in Thai Nguyen.

Furthermore, amid the current US-China trade tensions, the province has been regarded as a key destination for economic transformation for international investors, with growing investment into the industrial real estate field.

As of now, Thai Nguyen is home to six large-scale industrial zones including Song Cong I and II, Nam Pho Yen, Yen Binh, Diem Thuy, and Quyet Thang. Four operating industrial zones (Song Cong I, Nam Pho Yen, Yen Binh, and Diem Thuy) have been accommodating thousands of domestic and foreign specialists and managers, and more than 100,000 workers from different localities, leading to big demand for housing.

In addition, average income per capita in Thai Nguyen has risen sharply in recent years, from VND77.7 million (\$3,380) in 2018 to an estimated VND83 million (\$3,610) this year, nearly VND23 million (\$1,000) more than the country average.

This has contributed to pushing up investment - needs into building infrastructure for commercial and residential apartment buildings to catch up with soaring local demands.

Industry experts assumed that the arrival of South Korean tech giant Samsung in Thai Nguyen in 2013 would be a catalyst for propelling the development of the province's urban infrastructure, yet the market remained short of large-scale, well-planned projects.

However, the situation has witnessed a turnaround in the past three years with the arrival of leading domestic and international groups who have landed sizable projects in the province, helping to gradually modernise the landscape.

Than Thanh Dung, deputy general director of Tien Bo Group JSC, commented that the arrival of leading businesses in 2017 marked a milestone in Thai Nguyen's urban infrastructure development.

Besides clear advantages in terms of location, improved infrastructure, and economic

development, the strong presence of specialists and workers in Thai Nguyen, particularly down to Samsung's two major industrial production complexes, have resulted in soaring demands for housing. These factors have led to robust development of the province's urban infrastructure.

Noteworthy projects include the privately-held Kosy Group's Kosy Song Cong urban area; Thien Loc Construction Investment JSC's Thong Nhat residential area; Pho Yen Residence in Pho Yen town, and FLC Thai Nguyen resort and entertainment complex in Thai Nguyen city.

Arguably the most significant is the Apec Mandala Wyndham Thai Nguyen hotel complex located southeast of the city. The project marks the first time Thai Nguyen has hosted a five-star hotel development managed by the prestigious global hotel management brand Wyndham Hotel Group.

The presence of the US hotel management firm is expected to help elevate the service quality of the province's hotel and hospitality industry.

Another important factor is the success of the Thai Nguyen investment promotion conference in July 2018, as the province courted nearly VND47 trillion (\$2 billion) in investment capital value with the presence of major real estate businesses.

4. Quang Binh enticing serious investors

Earlier this year, Quang Binh People's Committee issued Action Plan No.37/KH-UBND presenting tasks and solutions for socio-economic development and budget estimates in 2019, and implementing the action plan on governmental Resolution No.02/NQ-CP issued in January on tasks and major solutions to improve the local business environment and enhance national competitiveness with a vision towards 2021.

For the reform of administrative procedures, on the basis of the plan, Quang Binh People's Committee assigned specific tasks to departments, agencies, and localities to ensure effective implementation.

Departments and agencies are being required to deploy IT application at the Public Administrative

Centre in a modern and synchronous manner to smooth the settlement of administrative procedures, allowing receiving dossiers by post, conducting online public administrative transactions, enabling approval of digital signatures, and providing expanded access to channels.

In addition, the committee has also directed departments, agencies, and localities to facilitate reform through shortening the time for administrative processing, regularly providing update information and data on planning, the latest mechanisms and policies to businesses and investors, and guiding on how to approach investment incentives in an effective manner.

Meanwhile, it has organised meetings with businesses and investors quarterly, thereby directly receiving, responding to, and assigning specific tasks to relevant departments, helping to tackle difficulties businesses and investors in the province have been facing.

Furthermore, the province has ordered departments and localities to review and update documents, databases, and enact publications such as films and documents introducing potential investment opportunities in Quang Binh. It also asked for updates to the list of priority projects calling for investment in English and Japanese in order to serve investment promotion events.

In regards to promotion activities, Quang Binh continues to implement external activities synchronously and effectively, simultaneously actively participating in a number of big investment promotion events by ministries and central agencies to connect and introduce advantages and investment opportunities in the province to non-locals.

According to Tran Cong Thuat, Chairman of Quang Binh People's Committee, with the goal of penning a focused investment promotion plan aligned with local socio-economic development orientation, in 2020 the province will continue to review, update, and build up a new list of projects calling for investment for 2021 to 2025.

5. Plastics & Rubber Vietnam is on horizon

Over the last decade, plastics manufacturing has cemented itself as a key supporting industry in Vietnam, with an average growth rate of 15-20 per cent annually. This is attributed to the consistent surge in domestic packaging (FMCG) consumption and industrial manufacturing from foreign direct investment. In 2020, Vietnam's plastics export demand is expected to boom and account for \$4.3 billion.

The rubber industry is also full of potential. Vietnam contributes to the growth of the world industrial network, in which the rubber manufacturing industry is expected to reach \$300 million, and is one of the three highest rubber exporting countries in the world. The rubber manufacturing industry will receive a lot of government support to upgrade and improve

Along with that, practicality, feasibility, and suitability are essential factors needed to embed in the province's investment attraction approach in the forthcoming period. It is also important to take advantage of support from ministries and central agencies in attracting investment; building co-operative relationships with foreign diplomatic missions, international organisations, and major economic organisations in Vietnam; and assisting enterprises in the province in seeking investment opportunities abroad.

According to Quang Binh People's Committee, as of October 15, the province granted investment certificates to 49 ventures registered at VND3 trillion (\$130.4 million). In addition, scores of domestic and foreign investors are conducting business study in the province.

T&T Group is looking at funding Dinh Muoi Urban Area and Bac Ly Ecological Urban Area at total value of VND30.3 trillion (\$1.32 billion), and the United States-based Southeast Asia Capital Group intends to invest in the Hon La general port complex with an estimated investment sum of around \$250 million. Meanwhile, Vingroup plans a venture in a 33-hectare smart urban area in Dong Hoi city. DIC Group is also conducting research on a resort hotel and golf course initiative in Quang Ninh district, with a scale of 280ha.

technologies and install modern equipment dedicated to rubber processing.

For its very first appearance in Hanoi, Plastics & Rubber Vietnam presents a top-notch list of products and technologies on 4,300 square metres of exhibition area. The show has also attracted more than 200 exhibitors from 24 countries and regions and the participation of eight international group pavilions from great markets such as Taiwan, Germany, Korea, Singapore, China, Qatar, Australia, and Italy.

The three-day exhibition will present a comprehensive showcase of technology and solutions for the FMCG packaging, films and sheets, pipes and fittings, as well as building and

construction, automotive and transportation, electronics, furniture, and household sectors.

Within the framework of the programme, the international conference titled Circular Economy – Formula for the Plastic Industry's Sustainable Development will update Vietnamese plastics enterprises on the global picture of plastics recycling that is putting the circular economy model at the core. Besides, the conference will draw up a roadmap and solutions for Vietnamese SMEs to gain access to the circular economy model. The conference, which is co-organised by Informa Markets in Vietnam and Revival Waste,

will open from 8:00 to 12:00 on November 28, 2019 at the International Center for Exhibition (I.C.E Hanoi).

Backed by support from numerous government agencies and industry associations, Plastics & Rubber Vietnam aims to increase the service offerings to industry professionals in the northern region. The exhibition promises visitors and attendees a comprehensive range of plastics and rubber products and services, state-of-the-art technologies, integrated solutions, parts, components, as well as materials and supplements.

6. Plastic and rubber industry sees sustainable growth

The group of plastic and rubber products has contributed significantly to the industry's common results as it joins the groups of commodities with an export value of hundreds of millions of US dollars.

As shown from statistics, Viet Nam has now exported its plastic products to 150 countries around the world.

In 2018, the major exporting markets of Vietnamese plastic products remained Japan, the European Union (EU), the United States, ASEAN, the Republic of Korea (RoK) and China.

In particular, exports to Japan reached the highest revenue of US\$671.76 million, up 18.8% year on year and accounting for 22.2% of the total. Exports to the EU came in second place with US\$602.05 million, up 6.6% year on year and representing 19.8% of the total.

Production of plastic products in 2019 is forecast to reach 8.9 million tons, a growth of 7.2% compared to 2018. Viet Nam's plastic industry is expected to maintain an average growth momentum of 6.5% per year for the 2019-2023 period.

According to experts, Viet Nam's signing of free trade agreements (FTAs) has brought many opportunities for exporters of plastic packaging products. Partners are gradually shifting orders from China to Viet Nam to take advantage of cheap

production costs and tax incentives for exports to the RoK, Japanese and EU markets.

Similar to the plastic industry, Viet Nam's rubber industry has also been developing in a sustainable manner, with its products exported to many countries around the globe.

In 2018, natural rubber is Viet Nam's fifth largest agricultural product in terms of export value, with US\$2.1 billion.

Many Vietnamese rubber products were exported to the major markets such as the U.S., Malaysia, Belgium, Germany, Brazil, Japan and Thailand.

In 2019, Viet Nam's rubber industry has risen to second place in terms of productivity, third in output and fourth in export revenue in the world natural rubber market.

The Viet Nam Rubber Association said it would join its members to participate in the projects on improving the value added and developing the intensive processing industry planned for the rubber industry by the Government.

At the same time, the association will strengthen international cooperation with countries producing and consuming natural rubber to co-develop sustainably, on the basis of balancing supply and demand, ensuring reasonable income for rubber growers and participating in the global rubber value chain.

Viet Nam is witnessing the strong participation of foreign businesses in the supply of machinery, equipment and materials for the plastic and rubber industry.

Through trade fairs, foreign exhibitors have the opportunity to approach the production

enterprises, both at home and abroad, to promote their products, expand their markets, advertise their brands, establish partnerships and seek new business opportunities in the Vietnamese market.

Corporate News

7. EIB: Resolution of Extraordinary General Meeting 2019

↑ 2.06%

On November 21, 2019, the Board of Directors of Vietnam Export Import Commercial Joint Stock Bank (Eximbank) approved the following issues:

To convene Extraordinary General Meeting 2019. Accordingly, the record date for the shareholder list will be December 12, 2019. The shareholders of EIB will vote for the nomination and candidates for a replacement member of the Board of Directors for Term VI (2015 – 2020).

- Number of replacement members of the Board of Directors: 01 member
- The estimated date to send ballots to shareholders: December 21, 2019

- Time for shareholders/shareholder group to send for the nomination and candidates: from 7:30, December 30, 2019 to 16:00, January 13, 2020

- Time to check documents: from January 14, 2020 to February 04, 2020

- Time for Eximbank to submit documents to the State Bank of Vietnam for the review and approval: February 18, 2020

The rights to attend Extraordinary General Meeting 2019:

- Estimated meeting time: 9:00, March 05, 2020
- Meeting venue: Eximbank will notice to shareholders

8. TMS: Notice of the record date for the first phase of 2018 dividend payment

↓ -2.07%

Transimex Corporation announces the record date for the first phase of 2018 dividend payment:

Record date: December 05, 2019

Purpose for the payment for the first phase of 2018 dividend in cash

Dividend pay-out ratio: 10%/ par value (VND1,000/ share)

Payment date: December 19, 2019

Place & procedure of payment:

Shareholders whose shares have been deposited: at the securities firms where the shares have been deposited.

Shareholders whose shares have not been deposited: Transimex Corporation as from December 19, 2019.

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