



VIETNAM DAILY NEWS

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Market Analysis

1. Shares gain but selling pressure still high

The VN-Index increased on Wednesday but its rally gradually dropped in the afternoon as selling pressure hit blue-chips.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange gained 0.14 per cent to close Wednesday at 978.17 points.

Nearly 198 million shares were traded on the southern bourse, worth VND3.6 trillion (US\$154 million).

The VN-Index gained 0.05 per cent to close at 976.79 points on Tuesday.

Market breadth was negative on Wednesday with 139 shares gaining and 172 declining.

The large-cap VN30-Index decreased by 0.27 per cent to stand at 895.06 points.

The VN-Index faced a similar situation as the previous session as it gained strongly in the morning and gradually dropped to close to the reference level in the afternoon. Vietcombank (VCB), Bank for Investment and Development of Viet Nam (BID) and Vingroup (VIC) were the three main stocks supporting the market's uptrend.

Many large-caps suffered selling pressure and ended down such as Vinamilk (VNM) (-0.7 per cent), Vinhomes (VHM) (-0.3 per cent), the Viet Nam National Petroleum Group (PLX) (-1 per cent) and Masan Group (MSN) (-0.7 per cent), but no sharp decreases were recorded.

According to Saigon Securities Incorporation (SSI), in the 11 months from December 2018 to October

2019, about US\$277 billion was withdrawn from stock investment funds globally, the greatest and longest withdrawal of capital in the last year years. At the same time, bond investment funds received an inflow of \$372 billion.

The gloomy prospects of global economic growth coupled with the escalation of the US-China trade conflict has weakened investor sentiment, pushing money to safer investment channels like bonds and gold, causing the prices of these assets to rise sharply.

However, on Wednesday, foreign investors were net buyers of VND72.84 billion on HOSE, including Hoa Phat Group (HPG) (VND36.01 billion), Bank for Investment and Development (BID) (VND18.34 billion) and Vincom Retail (VRE) (VND17.98 billion). They were net sellers on the HNX with a value of VND2.72 billion.

On a sector basis, 13 of the 25 sectors saw share prices rising, including wholesale, healthcare, real estate, banking, agriculture, plastic and chemistry and seafood processing.

On the opposite side, 12 of the 20 sectors saw share prices drop, including oil and gas, rubber production, food and beverage, construction materials, construction and logistics.

On the Ha Noi Stock Exchange, the HNX-Index lost 0.73 per cent to end Wednesday at 103.23 points.

More than 19.8 million shares were traded on the northern bourse, worth VND242.6 billion.

The northern market index climbed 0.51 per cent to end Tuesday at 103.99 points.

Macro & Policies

2. An Giang turns tourism into cutting-edge sector

An Giang, which shares a border with Cambodia to the north-west, has a marvelous mixed plain and mountainous landscape with the strong presence of historical and cultural relics, as well as nationally recognised attractions.

According to a recent report from An Giang People's Committee, in the first nine months this year, the province greeted more than 8.3 million visitor arrivals, generating VND4.7 trillion (\$204.3 million) in local tourism revenue. The growing number of tourists has helped An Giang take the lead in the delta by virtue of the province's multitude of natural attractions.

However, according to Nguyen Khanh Hiep, director of An Giang Department of Culture, Sports, and Tourism – visitor stay time and average spending levels are still low in the province due to the presence of limited suitable accommodation, despite the high volume of tourists. To address the bottleneck, the province has scaled up efforts in recent years into promoting investment into tourism services development.

Businesses are welcome to invest in building quality restaurants and hotels, as well as entertainment complexes and resorts. The province also pays regard to restoring existing spiritual tourism sites in order to serve visitors more effectively. It has also presented incentive policies to investors for relevant development.

An Giang's tourism sector has made ceaseless efforts to improve service quality and expand the tourism infrastructure system, as well as to diversify tour offerings combined with caring for the environment.

Significantly, due investment has been put into gradually perfecting the roads leading to diverse tourism sites such as provincial route 943 heading

towards Thoai Son district, or Route 941 to Tri Ton district. These efforts have helped An Giang attract more large-scale projects from businesses inside and outside the province.

They include the Tra Su eco-resort project in Tinh Bien district, valued at VND748 billion (\$32.5 million) from An Giang Tourism JSC; Nui Sam Resort project in Chau Doc city, located over 9.5 hectares of space and valued at VND486 billion (\$21.1 million) from MGA Ltd.; and the Chau Doc city tourism and trade services centre project, at nearly 88ha and valued at VND2.41 trillion (\$104.7 million) by Hai Den Ltd., to name but a few.

Furthermore, local leading players such as FLC Group, T&T Group, and Phu Cuong Group are in the legal setup phase to land projects on tourism services in the province, including building a five-star hotel complex, Long Xuyen shophouse and trade centre complex, and more besides. An Giang already accommodates appealing tourism attractions with distinct ecosystems, such as the mysterious That Son mountain range and romantic waterway scenes.

Also proving a great charm for visitors are the Nui Sam national tourism attraction, Nui Cam complex, and the Tra Su indigo forest reserve.

To ensure the most is made of these outstanding features, and to transform the tourism sector's fortunes in the province, An Giang will continue improving the local transport infrastructure, helping to connect the four major tourism sites of Chau Doc, Long Xuyen, Nui Cam, and Oc Eo. It will also revise the planning schemes of major tourism sites to provide the best conditions for investors. Simultaneously, businesses in the province will receive greater support to approach incentive policies for local tourism development.

3. F&B enterprises in Vietnam reduce plastic for sustainable development

The event was held by the American Chamber of Commerce Vietnam (AmCham Vietnam) and the Vietnam Chamber of Commerce and Industry

(VCCI), the Central Institute for Economic Management (CIEM), the Vietnam Dairy

Association (VDA), and the Vietnam Association of Seafood Exporters and Producers (VASEP).

The forum concentrated on the opportunities and challenges of the F&B industry in Vietnam from many different perspectives, as well as sharing international practices towards sustainable goals in business and food safety management in Vietnam.

Besides, this was also a chance for speakers and participants to discuss and share practices about the business environment, food safety management experience, and new trends from international and domestic enterprises, as well as initiatives for sustainable development with action for the environment and human health.

Addressing the forum, Mary Tarnowka, executive director of AmCham Vietnam's Ho Chi Minh City chapter, said, "As Vietnam's population continues to surge, with rising income, purchasing power, and demand for new F&B markets, the issues of

sustainability and food safety management standards are critical."

Meanwhile, Pham Hoang Hai, an independent expert on sustainable development, said that the amount of plastic waste discharged into the environment increases each year but only half of it is collected and only 7-9 per cent is recycled.

Nguyen Hoang Linh, deputy director general of the Directorate for Standards, Metrology and Quality under the Ministry of Science and Technology, emphasised, "An annual F&B industry forum will be a link between state management agencies, businesses, and researchers to discuss policies, regulations, standards, business environment, production, and sustainable development of this important industry."

The conference consists of two dialogue sessions with topics on the Food and Beverage Industry and Actions for Sustainable Environment and Policy Dialogue to Promote Manufacturing and Trading in the F&B industry in Vietnam.

4. NA to erase VND16.4 trillion in late tax fines

The NA passed a resolution on the freezing of tax arrears and the erasure of fines on late tax payments for taxpayers who cannot afford their tax payments, with more than 91% of NA deputies voting in favor, the local media reported.

The Government had earlier proposed freezing tax arrears arising before July 1, 2020 and erasing nearly VND16.4 trillion in late tax payment fines.

Before the resolution was approved, many NA deputies had raised concern over the resolution, saying it might cause problems in tax management and could not help prevent State budget losses.

In response, Nguyen Duc Hai, head of the NA's Finance and Budget Committee, said the resolution would allow the Government to erase the fines for late tax payments only, and would not take into account tax arrears. Tax agencies will be required to settle tax debts, in line with the law.

The prerequisite condition for the erasure of late tax payment fines is that taxpayers have died, gone missing or their lost civil capacities, along

with enterprises that have gone bankrupt, dissolved or had their business registration certificates revoked, Hai noted.

If individuals still have assets, those assets will be used to settle unpaid tax bills.

If taxpayers, whose debts have been erased, are found to conduct production and business activities in other localities or contribute capital to new enterprises, their debts will be collected.

As for jurisdiction, the prime minister has the right to erase debts of VND15 billion each, while the minister of finance can forgive debts of VND10-15 billion.

Meanwhile, the heads of the General Department of Taxation and the General Department of Vietnam Customs will have the authority to erase debts of VND5-10 billion each, and chairmen of provincial and municipal People's Committees can waive debts of less than VND5 billion.

Further, the NA has asked the Government to report on the annual tax debt settlement results. In addition, the State Audit of Vietnam must audit the tax debt settlement and the NA's subordinates

and the Vietnam Fatherland Front Central Committee will supervise the erasure of tax debts and fines for late tax payments.

5. Viet Nam among top 20 markets for women entrepreneurs: Mastercard study

The index also shows that Viet Nam is among the top five markets in terms of women borrowing or saving to start a business and having access to financial services and products and tertiary education.

In the Asia Pacific region, women in Indonesia, the Philippines and Viet Nam have reached parity with men in terms of their inclination to engage in entrepreneurship.

Viet Nam is among the top four markets in terms of women continuing to make strong strides in term of their ability to thrive as business leaders or professionals.

Based on publicly available data from international organisations like the International Labor Organisation, UNESCO and the Global Entrepreneurship Monitor, the index tracks the progress and achievement of women entrepreneurs and business owners in 58 markets around the world.

6. Can Tho IZs charm Japanese groups

At the Japan-Mekong Business Forum 2019, slated to be held in the Mekong Delta city of Can Tho on November 30, leaders of Can Tho Export Processing and Industrial Zones Management Authority (CEPIZA) will grant an investment certificate to Japan's Takesho Food & Ingredients Inc., to implement its project on building a processing plant at Tra Noc 2 Industrial Zone (IZ) in the city's O Mon district.

The plant will engage in producing and processing species and associated materials; wholesaling food, machinery, equipment, and components; and carrying out relevant research and development activities.

The plant, covering nearly 21,000 square metres, will have a designed capacity of about 600,000 tonnes per year and total investment value of nearly VND185 billion (\$8 million). It is expected to kick off construction in the first quarter of 2020 and begin commercial operations from the first quarter of the following year.

This August, a joint venture between Marine Food Corporation from Japan and local partner Nam Hai Food Export Ltd., began construction of a seafood processing plant with total investment value of \$14 million. The project, scheduled to commence operations from next May, aims to process

seafood items for export to Japan. It received its investment certificate in March within the framework of the province's investment promotion trip to Japan.

The two projects have received active support from Can Tho city leaders and CEPIZA from inception, helping the investors quickly bring these projects towards fruition.

According to Toshinao Tanaka, CEO of Takesho Food & Ingredients, during the legal setup stage the company received proactive support from local authorised agencies, particularly CEPIZA, to complete necessary procedures, such as those on business registration or acquiring work permits for foreign employees.

While the investment scale of each project remains modest, they bear the hallmarks of enhanced investment promotion activities of Can Tho city in the Japanese market. In recent years, Can Tho has ramped up exchanges and investment promotion co-operation with diverse Japanese localities and organisations, taking Japan as one of its key business partners.

City leaders have led many business trips for promotion of investment and trade co-operation in Japan, while in the meantime receiving diverse

Japanese delegations to the city in search of co-operation opportunities.

Last November, within the framework of the fourth Vietnam-Japan cultural and trade exchange programme and 45th anniversary of establishment of Vietnam-Japan diplomatic relations in the city, Can Tho People's Committee inaugurated the Vietnam-Japan Friendship Industrial Park in Cai Rang district's Tan Phu ward.

The park, developed by Can Tho Investment Development Fund, specifically caters to Japanese businesses. Featuring a seamless technical and social infrastructure system on par with green standards, it is ready to meet abundant investor demands for factory space.

The park enjoys numerous advantages as it is only 5km from the city centre, 8km from Can Tho International Airport, and is contiguous to a system of international seaports along the Hau River with the capacity to receive ships with up to 20,000 deadweight tonnage.

Furthermore, to increase comfort for Japanese specialists and entrepreneurs working in the city, Can Tho Investment Development Fund built Cadif Building in Cai Rang district's Hung Phu ward, consisting of a wide range of apartments. The building is located next to schools, a trade centre, a food court, and entertainment sites such as an 18-hole golf course now under construction at Au Islet.

As an economic, sci-tech, education, and training centre in the delta region, Can Tho possesses plentiful potential for investment co-operation with Japanese investors across the board, such as in high-tech agriculture; agro-seafood processing; tourism and accommodation; the supporting industries; IT; urban infrastructure, transport infrastructure and logistics; finance and banking, and much more.

Priority infrastructure industrial zone development

Name: Thot Not Industrial Zone phase II infrastructure

Location: Thoi Thuan ward, Thot Not district, Can Tho city; 50km from the city centre and 40km from Can Tho International Airport

Size: 400 hectares

Total capital: VND5.89 trillion (\$256 million)

Incentives: Investors are entitled to land rental exemption during construction, for no more than three years after receiving a land lease decision

City-based IZs in a suitable location and with quality infrastructure consistently serve as investment hotbeds, helping to spur local socio-economic development.

Can Tho is currently home to six operating IZs attracting a total of 246 investment projects. The schemes have leased 486 hectares of land for industrial development and report \$1.75 billion in total investment value. Disbursed capital reached \$1.05 billion, equal to 60.3 per cent.

Can Tho IZs are strategically located as they offer favourable conditions for all means of transport by road, air, and waterway.

Simultaneously, Can Tho welcomes investors from all countries to engage in infrastructure investment and trading for Thot Not IZ's second phase. The project has secured infrastructure conditions, including sufficient power supply from the national power grid and O Mon thermal power plant; sufficient water supply to feed its needs; a developing IT and communications network for international connections; and transport infrastructure directly linking to National Highway 91.

The nearby Vam Cong Bridge links Can Tho to Dong Thap province and other localities in the Mekong Delta region, from there pushing up trade exchanges in the region.

Corporate News

7. Sun Life Vietnam and TPBank announce exclusive bancassurance agreement in Vietnam

↑ 0.00%

The agreement combines TPBank's distribution network with Sun Life Vietnam's market-leading lifeinsurance products, giving 2.5 million TPBankcustomers access to a comprehensive range of innovative insurance solutions to complement existing banking offers in one place.

Nguyen Hung, the CEO of TPBank said, “This partnership will bring more sustainable value to our customers and communities, bringing our customers more insurance solutions and helping them achieve lifetime financial security and live healthier lives. In particular, with our focus on technology development, the partnership is expected to leverage TPBank’sdigital platform to make insurance transactions easier and deliver improved customer experience.”

Leo Grepin, the President of Sun Life ASEAN said, “We’re very excited to partner with TPBank, a digital leader in Vietnamese banking. This partnership demonstrates our focus on expanding our distribution network with world-class partners that share our goal of constant innovation. We look forward to working with

TPBank to secure a brighter future for their Clients in Vietnam”.

Larry Madge, the CEO of Sun Life Vietnam added, “Sun Life's global Client for Life strategy puts the needs of our Clients at the center of everything we do. We are confident TPBank shares our relentless focus on delivering the best solutions and Client experiences and together we can help even more people in Vietnam achieve financial wellbeing.”

Bancassurance is a promising, high-growth distribution channel for life insurance in Vietnam. This 15-year exclusive partnership affirms the long-term commitment of TPBank and Sun Life Vietnam to help Clients achieve their financial goals with the best banking and insurance solutions.

Sun Life Vietnam (Sun Life) is a life insurance company with 100 per cent capital from Sun Life Financial – A leading international financial service organisation with 154 years of experience from Canada. Currently Sun Life has a nationwide network of 55 branches and customer care centers

8. Sabeco boosts investment in capacity expansion

↑ 0.22%

Sabeco, Vietnam's top brewer, is implementing a large-scale capacity expansion project starting with three breweries such as Cu Chi, Quang Ngai, Soc Trang in the coming months. The initiative is expected to enable the company to meet increasing market consumption and demand for its products.

Specifically, the project involves upgrading and expanding the breweries' existing infrastructure; installing new state-of-the art production lines; bringing into use an integrated management system to enhance automated production, help

curtail energy consumption, and ensure effective production management.

In parallel with machinery and equipment upgrades, infrastructure including factories, warehouses and auxiliary facilities such as wastewater gathering and treatment systems will also be updated.

Diverse technical initiatives to mitigate the environmental impact of the breweries' operations have been carefully studied and will be implemented. These include deploying a solar

panel system to optimise power usage in

These factors attest to Sabeco's commitment to integrating sustainability into its production processes and overall business operations and playing a part in the development of the local communities where the company's plants operate.

production.

Sabeco's investment in this expansion project will also increase the existing labour capacity at its current breweries. This, in turn, will enable the company to provide more jobs to its host communities and provide more opportunities to supporting industries.

The expansion is expected to bolster the total production capacity, enabling it to meet increasing market demand and contribute more to the provincial government coffers in the areas where its breweries are located.

These factors attest to Sabeco's commitment to integrating sustainability into its production processes and overall business operations and playing a part in the development of the local communities where the company's plants operate.

According to Bennett Neo, general director of Sabeco, the project is part of the company's development trajectory and confirms Sabeco's continued investment and development in Vietnam.

This investment will complement those previously made by Sabeco in brand development and market expansion, to help maintain its position as Vietnam's top brewery.

The brewer with the longest heritage in Vietnam, Sabeco is increasing its efforts to bring more value to both consumers and its other stakeholders by ensuring the quality of its products, making continuous investments in green production technologies, and supporting cultural activities as well as long-term community development programmes.

“With this investment, we hope to further strengthen our well-loved brands, bring our products to more Vietnamese consumers, and accelerate our momentum in promoting Vietnam's pride. Additionally, this also affirms our commitment to pursuing sustainable development in Vietnam,” he said.

Recently, Sabeco's Bia Saigon Special, Bia Saigon Lager, and Bia 333 products bested other outstanding beer brands to win one champion trophy and three medals at the high-profile International Beer Cup 2019 which was held in Japan.

Particularly, Bia Saigon Special – Sabeco's flagship brand – scooped up the Gold Medal at the International-Style Pilsner category, while Bia Saigon Lager once again confirmed its premium quality by becoming the champion in the Germany Heritage category.

The annual beer competition, held by the Japan Craft Beer Association, brings together 90 industry experts to assess and rank around 1,000 beer brands from around the world based on a wide range of criteria, from product quality to packaging.

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