



VIETNAM DAILY NEWS

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Market Analysis

1. VN shares mixed, but growth expected to return

Vietnamese shares finished Wednesday largely unchanged as investors braced for further news about the development of the coronavirus.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange edged down 0.34 per cent to close at 925.91 points, while the minor HNX-Index on the Ha Noi Stock Exchange gained 0.60 per cent to end at 103.19 points.

The VN-Index inched up 0.10 per cent on Tuesday while the HNX-Index made a two-day increase of 1.85 per cent.

More than 234 million shares were traded on both local bourses, worth VND4.72 trillion (US\$202.4 million).

Market trading on the two exchanges ended slightly positive.

Eleven of the 25 sector indices ended in negative territory, including agriculture, rubber, healthcare and pharmaceuticals.

Among those sectors, the agriculture index slumped 4.4 per cent. The sector is expected to be hard hit by the coronavirus as the epidemic has had a negative impact on agricultural products shipped to China.

Pharmaceutical stocks were down after being boosted by fears of the virus.

Leading pharmaceutical stocks such as DHG Pharmaceutical JSC (DHG), Ha Tay Pharmaceutical

JSC (DHT) and medical import-export firm Domesco (DMC) plunged between 4.5 per cent and nearly 7.0 per cent.

On the other side, insurance, mining and energy, food and beverage, seafood processing, and the power industries lifted the market.

Among gainers were insurance-finance group Bao Viet Holdings (BVH), dairy producer Vinamilk (VNM) and technology group FPT (FPT).

The mixed performance of the Vietnamese market could be a result of different movements in global stocks from Asia to Europe and the US, according to VNDirect Securities Corp (VNDS).

The virus had little impact on market sentiment on a global scale, and precious metals such as gold had not seen dramatic growth in recent days, the company said in its daily report.

Meanwhile, market sentiment remained low in Viet Nam as worries about the coronavirus persisted, VNDS said.

Government bonds were the main attraction on expectations the central bank would release a stimulus to support the economy, the company said.

The market was now on a short-term bottom line, but would likely rebound in the coming days, the company forecast.

Macro & Policies

2. Sustainable development a \$45 billion opportunity for the private sector: Standard Chartered

The Opportunity 2030 study revealed an almost \$10 trillion opportunity for private-sector investors across all emerging markets, with Viet Nam presenting \$45.8 billion of that total.

The opportunities for the private sector would come from contributions to three infrastructure-focused goals between now and 2030, including clean water and sanitation, affordable and clean energy, and industry, innovation and infrastructure.

SDG investment opportunities were found in transport infrastructure and improving digital access, according to the study.

The study founded that to achieve universal digital adoption would require private-sector investment of around \$24.4 billion to 2030. To significantly improve Viet Nam's transport infrastructure would require an estimated investment of \$20.1 billion from the private sector.

The potential private-sector investment opportunity in the water sector was smaller, the study noted. However, as 11 per cent of Viet Nam's population still did not have access to clean water and sanitation, investment would make a real impact.

To help achieve universal access to clean water by 2030 would require an estimated private-sector investment of \$1.3 billion.

"A series of ongoing market reforms is making Viet Nam an increasingly attractive place for investors. The government is committed to the UN Sustainable Development Goals and is working directly with the UN to align its development plans with the SDGs," Nirukt Sapru, CEO Vietnam and ASEAN & South Asia Cluster Markets at Standard Chartered Bank said.

"Opportunity2030 provides an important map of the SDG opportunities for private sector investors looking to invest with impact and improve the lives of millions over the next decade," he stressed.

Statistics showed that now 89 per cent of the population got access to clean water and sanitation and 76 per cent to digital access.

SDGs targeted that Viet Nam would have universal access to clean water and digital access by 2030, which would require total investment of \$13.1 billion and \$40.7 billion by 2030, respectively.

Viet Nam already had universal access to power. However, with a growing economy, there would be an additional need for continual investment in affordable and clean energy to maintain access in a sustainable way, the bank said.

3. Tien Giang sets export target of 3.4 billion USD in 2020

The Mekong Delta province of Tien Giang has set a target of earning 3.4 billion USD in export turnover in 2020, a year-on-year rise of 9.8 percent.

Director of the provincial Department of Industry and Trade Doan Van Phuong said production and export activities are expected to go smoothly this year thanks to the Government and ministries' efforts to remove difficulties for businesses, and support startups and innovation.

Additionally, free trade agreements which have come into force will help the province attract foreign investors as well as open up new opportunities for export growth in 2020.

The province has set forth solutions to realising the target such as increasing productivity and competitiveness of local firms, improving business environment, and expanding markets.

Particularly, the locality will adopt policies to make it easier for businesses to access credit and promote trade activities while intensifying administrative procedure reform.

According to the provincial People's Committee, in the first month of 2020, the local export

turnover was estimated at over 178 million USD, equivalent to the previous year.

Key export products with high growth include rice, vegetable and fruit./.

4. Vietnam's exports forecast to plunge in Q1

Vietnam's exports are forecast to plunge in the first quarter of this year due to impacts of the acute respiratory disease caused by the new coronavirus (2019-nCoV).

According to Director General of the General Statistics Office of Vietnam (GSO) Nguyen Bich Lam, Vietnam's exports in the first quarter of 2020 are estimated at 46.5 billion USD, down 21 percent from the same period last year.

Contraction was predicted across a wide range of export items, including agricultural and forestry products (over 29 percent), aquatic products (38 percent), textiles and garment (22 percent), footwear (17 percent), computers, electronics and components (8 percent), and phones and parts (27 percent), Lam said.

He added that exports to China will be likely to shed 25 percent from a year earlier to 5.6 billion USD. Shipments of agricultural and forestry products, and aquatic products was down 30 percent and 33 percent, respectively.

In January, Vietnam's foreign trade totalled 38.1 billion USD, a year-on-year decrease of 12.9 percent, and the country's trade deficit was estimated at 100 million USD.

The country's exports slumped 15.8 percent month on month to 19 billion USD, of which 6.31 billion USD was gained by domestic enterprises, down 23.1 percent, while the remainder came from the foreign-invested area, including crude oil, down 11.6 percent.

Year-on-year growth was reported in exports of computers, electronics and components (5.6 percent) and wood and timber products (1.4 percent). Meanwhile, declines were seen in textiles and garment (21 percent), phones and parts (22.4 percent), and footwear (9.7 percent).

Of agricultural products, aquatic products and coffee experienced the contractions with 25.2 percent and 30.3 percent, respectively.

The US was Vietnam's largest market last month, importing 4.8 billion USD worth of goods, followed by China (3.7 billion USD).

January imports fell 14.4 percent from a month earlier to value 19.1 billion USD, of which 8.7 billion USD was from domestic companies, down 17.7 percent, while the remainder from foreign-invested sector, down 11.3 percent./.

5. First metro line in HCMC to be completed late next year

Today, February 5, the Management Authority for Urban Railways of HCMC (MAUR) urged contractors to accelerate work on the urban rail line between Ben Thanh Market in District 1 and Suoi Tien Park in District 9, setting a target to complete 85% of the workload this year, news site Vietnamplus reported.

With four main packages, the project is funded by the Japan International Cooperation Agency's (JICA) official development assistance loans and the city's reciprocal capital.

Work on the project started in August 2012. By last month, 70% of the project had been completed.

HCMC vice chairman Hoan noted that to ensure the progress of the project, the coordination between the Consulate General of Japan in HCMC, JICA and the HCMC government is vital.

In addition, contractors and consultants should build effective plans, Hoan added.

As previously planned, the metro line was scheduled to be ready this year. However, the protracted adjustments to the investment and technical design of the project impeded its progress.

Late last year, following the approval of the central authorities, the HCMC government issued a decision approving the project revisions, which sent the estimated investment cost of the project to VND43.7 trillion.

Bui Xuan Cuong, head of MAUR, said that MAUR and the contractors would focus on removing obstacles to the project's execution to meet the target of completing the project by late next year.

6. Agro processing gets tidal wave of investment

Vietnamese businesses have been investing heavily in the agro-processing sector in recent years, helping it develop sustainably and effectively adapt to natural disasters and diseases.

According to the Ministry of Agriculture and Rural Development (MARD), the sector grew 5-7 percent annually from 2013 to 2018, and export revenue accounted for about 65 percent of the total processing value.

The country now houses 7,500 agro-processing and preservation facilities that serve export activities.

In 2018-2019, construction of 30 agro-processing worth around 1 billion USD started, and many of them have already been put into operation, the ministry said.

Among those, in late 2019, Intimex Group inaugurated a 30 million USD instant coffee plant that is equipped with cutting-edge technologies and has an annual capacity of 4,000 tonnes.

"Through the project, we aim to meet the increasing demand of customers, improve competitiveness and value of Vietnamese coffee, and look towards sustainable exports," said Intimex Chairman Do Ha Nam.

Nam said the group plans to raise the factory's annual capacity to 20,000 tonnes in 2020, with

accumulative investment amounting to 100 million USD.

Other enterprises that have scaled up operations in this sphere include Phuc Sinh JSC, TH Group, Masan MEATLife JSC, Vina T&T Group, Viet-Uc Group and San Ha Co., Ltd.

Prices of processed agricultural products are forecast to increase 7-8 percent each year by 2030, said Nguyen Quoc Toan, head of MARD's Department of Farm Produce Processing and Development.

Products that undergo intensive processing and have high added value will make up 30 percent and above, and more than half of agro-processing facilities will be equipped with state-of-the-art technologies, he added.

Apart from investing in intensive processing technologies, businesses have changed their mindsets on food safety management and supervision.

Toan said agriculture would further develop if the sector receives more investments in intensive processing technologies, suggesting firms engage in agro-production, processing and consumption value chains.

Besides, it is necessary to improve the quality of personnel training, focusing on science-technology, the market economy and international integration, he said./.

7. Disbursement of public investment still low in January

Nearly 18.7 trillion VND (803.4 million USD) of public investment was disbursed in the first month of 2020, equivalent to 4.2 percent of the yearly plan, and up 8.4 percent from the same time last year.

The disbursement of capital managed by ministries exceeded 2.63 trillion VND (113 million USD), accounting for 3.8 percent of the yearly plan and rising 11.9 percent against 2018's January. Meanwhile, the disbursed amount managed by localities surged 7.8 percent year on year to over 16 trillion VND (688 million USD), or 4.3 percent of the set plan.

In a bid to improve the efficiency of the disbursed capital, the GSO recommended investors complete necessary procedures soon so that their projects will be carried out in accordance with schedule.

The GSO also unveiled that state budget collection in the first 15 days of the month totalled 39.1 trillion VND (1.68 billion USD), or 2.6 percent of the estimates for the whole year. Of the total amount, domestic collection hit 23.8 trillion VND (1.02 billion USD), while that from crude oil and import-export activities were estimated at 4.2 trillion VND and 11.1 trillion VND, respectively./.

Corporate News

8. VSC: Board approves to convene Annual General Meeting 2020

↓ -1.57%

The Board of Directors of Vietnam Container Shipping Joint Stock Corporation approved to convene the 2020 Annual General Meeting of Shareholders as follows:

- Record date: February 26, 2020
- Meeting time: expected in late March 2020
- Meeting venue: will be noticed later.
- Meeting contents:

Report of the Board of Directors

The audited financial statements in 2019

Report on business performance in 2019 and business plan for 2020

Report of the Board of Supervisors in 2019

Electing the Board of Directors, Board of Supervisors for the term of 2020 – 2024

Other issues under the jurisdiction of the general meeting.

9. SRF: Change of personnel

↓ -4.23%

Seaprodex Refrigeration Industry Corporation announced personnel change as follows:

- Mr. Luong Xuan Quy was appointed as CFO as from February 03, 2020.

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