



VIETNAM DAILY NEWS

December 4th, 2020



Table of content

Table of content

1. Trading cools but VN-Index maintains momentum
2. Imported sugar hurts its domestic counterpart
3. New tax decree eyes cross-border transactions
4. Money still pours into real estate
5. 2020 aquatic product exports predicted to hit 8.6 bln USD
6. New technology tools improve auditing efficiency
7. Viet Nam has many opportunities to promote halal exports
8. HSG: Major shareholder to sell entire stake in steel giant Hoa Sen
9. FPT: FPT and Thiên Long sign digital transformation consulting contract

Market Analysis

1. Trading cools but VN-Index maintains momentum

The VN-Index rose 0.54 percent to 1019.80 points Thursday, in a session where liquidity fell by one-third over the previous.

The Ho Chi Minh Stock Exchange (HoSE), on which the VN-Index is based, was overwhelmingly green with 267 stocks rising and 146 falling. Of these, 23 hit their ceiling prices, the highest they could go in a trading session.

After registering this year's record daily volume of VND14.32 trillion (\$621.9 million), liquidity cooled by 31 percent to VND9.88 trillion, of which just over half went toward the VN30, a basket of the bourse's 30 largest caps.

Lower average short-term deposit rates across the banking sector was a factor driving cash towards equity markets in recent periods, said brokerage BVSC in their latest report.

Average 6-month deposit rates among the group of state-owned banks in November fell nearly 0.08 percent over the previous month. For large scale (capital of over VND5 trillion) private banks, they downed by 0.09 percent, and for small joint stock private banks (capital below VND5 trillion), 0.15 percent.

Overall, average short-term interest rates for 6- and 12-month terms across the entire banking sector are currently sitting at 5.05 percent and 5.99 percent respectively, BVSC said, quoting data from analytics firm FiinGroup.

The VN30-Index this session gained 0.56 percent, on par with the general market. In this basket, 15 stocks gained while 11 lost.

Topping gains was POW of electricity generator PetroVietnam Power, up 5.6 percent, HPG of steelmaker Hoa Phat Group, up 4.4 percent, ROS of construction firm FLC Faros, with 2.8 percent, and

SSI of brokerage Saigon Securities Inc., with 2.5 percent.

The private banking sector saw some of the highest gainers but also some of the worst losers. VPB of VPBank was up 2.2 percent, STB of Sacombank up 1.6 percent, while EIB of Eximbank, the least volatile stock in this group, kept its opening price.

HDB of HDBank shed 1.1 percent, and TCB of Techcombank 0.4 percent.

Of state-owned banks, BID of BIDV and CTG of VietinBank edged up 0.2 percent and 0.1 percent respectively. VCB of Vietcombank stayed flat, while MBB of mid-sized Military Bank slumped 1.6 percent.

Other major gainers included VIC of private conglomerate Vingroup, up 0.8 percent, KDH of real estate developer Khang Dien House, up 0.7 percent, and GAS of energy giant PetroVietnam Gas, with 0.6 percent.

In the opposite direction, REE of appliances maker Refrigeration Electrical Engineering topped losses with 2.3 percent.

Other major losers were SAB of brewer Sabeco, down 0.9 percent, VJC of budget carrier Vietjet Air, with 0.6 percent, and PLX of petroleum distributor Petrolimex, with 0.6 percent.

The HNX-Index for the Hanoi Stock Exchange, home to mid- and small-caps, rose 0.79 percent, and the UPCoM-Index for the Unlisted Companies Market gained 0.61 percent.

Foreign investors turned net buyers to the tune of over nearly VND450 billion on all three bourses, with buying pressure mostly on VPB of VPBank and HPG of Hoa Phat Group.

Macro & Policies

2. Imported sugar hurts its domestic counterpart

On December 1, the Vietnam Farmer's Union and the Ministry of Industry and Trade held the seminar 'Solutions for Vietnam's sugar industry in a new situation' to find a rescue solution for the current sugar industry.

After several years of maintaining a protective policy for the sugar industry, Vietnam began to implement its commitments under the ASEAN Trade in Goods Agreement (ATIGA) to the sugar industry from January 1, 2020, by not limiting the amount of sugar imported from countries in the ASEAN and applying a 5-percent import tax rate.

According to the General Department of Vietnam Customs, in the first ten months of this year, the amount of sugar imported into Vietnam increased rapidly. After subtracting the amount of exported sugar, the amount of imported sugar entering the domestic market was up to 884,285 tons, which is even higher than the amount of cane sugar produced domestically. Of which, the amount of cane sugar imported directly from Thailand to Vietnam accounts for 87.67 percent. Besides, the amount of sugar imported from countries, such as Malaysia, Cambodia, Indonesia, and Myanmar also increased.

Under the impact of the flow of cheap sugar into the domestic market, Vietnam's domestic sugar prices have fallen to extremely low levels, leading to relatively low prices of sugarcane in Vietnam.

The low buying prices of sugarcane have caused many sugarcane farmers to fall into debts and abandon sugarcane fields because the more they invest in sugarcane fields, the more they suffer losses. This is the reason why the area of material sugarcane has declined dramatically in the past crop.

Previously, the whole country had 40 active sugar refineries. In the 2019-2020 crop, only 29 sugar refineries are in operation.

In the 2020-2021 crop, it is forecasted that it will continue to be a difficult year for the sugar industry in Vietnam, especially in the complicated situation of the Covid-19 pandemic.

Compared to the 2019-2020 crop, it is expected that four more sugar refineries, including Son Duong, Nong Cong, Van Phat, and Pho Phong, will continue to close due to a shortage of raw materials and inefficient operation.

According to the VSSA, Vietnam's sugar industry has suffered heavy losses in previous years because of commercial fraud caused by sugar smuggled from Thailand.

While other sugar-making countries in the ASEAN, including Thailand, the Philippines, and Indonesia, although having completed the implementation of ATIGA commitments from 2010 and 2015, they still apply management measures to protect their sugar industry.

According to the VSSA, the governments of these countries still play a decisive role in price subsidies, closely protecting the domestic market and preventing cheap imported sugar in international markets from being freely consumed in the domestic market.

Although the removal of tariff barriers and quotas has been carried out, allowing individuals, organizations, and businesses to import sugar, the Thai government does not allow the import of sugar. Meanwhile, Indonesia and the Philippines only permit the import of sugar corresponding to the domestic production shortage and only allow imported sugar to be brought into the market after the sugarcane season has ended.

The association also informed that in these three countries, sugarcane farmers are supported through direct and indirect subsidies and a profit-sharing system with sugar refineries to ensure stable income from sugarcane. It means that with high sugar prices, farmers will benefit the most.

Specifically, the Thai Government supports the sugar industry at least US\$1.3 billion per year. Of which, about \$775 million is used for indirect export subsidies through the sugar price pooling system, which increases the price subsidy for compensation when the global sugar prices fall.

In Thailand, about \$500 to \$525 million is used to pay directly to sugarcane growers. That is not to mention that domestic sugar manufacturers benefit fully from low-interest loans and subsidies like all other sectors in the agricultural sector.

Mr. Nguyen Van Loc, Acting General Secretary of the VSSA, said that the association has sufficient database to determine that imported sugar originating from Thailand is dumped and subsidized for the dumping in foreign markets. And there is clear evidence that the dumping of imported sugar causes significant damage to the domestic industry, as well as there is a causal relationship between the dumping of imported products and the serious damages to the domestic manufacturing industry.

To save the domestic sugar industry and the livelihoods of sugarcane farmers, Vietnam can decide to adopt trade remedies following international law and trade regulations of the WTO for the sugar industry is a legitimate way to protect the manufacturing industry, increase budget revenues, and protect jobs for sugarcane growers. This is even more meaningful in the context that other countries in the ASEAN are applying unofficial measures, said Mr. Loc.

Regarding this matter, the Trade Remedies Authority under the Ministry of Industry and Trade said that by November this year, the ministry has initiated 21 trade remedies investigation, including 13 anti-dumping cases, one anti-subsidy case, six safeguard cases, and one anti-evasion case, on steel products, float glass, cooking oil, MSG, fertilizer, BOPP film, aluminum, wood, fiber, and sugar.

Of which, the ministry issued a decision to apply seven anti-dumping measures, five safeguard measures, and one anti-evasion measure.

The reality shows that applied safeguard measures have brought positive effects to the domestic manufacturing industries, helping the industry to overcome the damage caused by the increase in imports, maintain, and step by step develop related domestic manufacturing industries.

Regarding sugarcane, the domestic industry believes that cane sugar products imported from Thailand are being dumped into Vietnam, and the Thai Government has been maintaining some subsidy policies for sugarcane farmers and the sugar industry in this country. The domestic sugar industry has also provided the necessary information and evidence to support these allegations.

Based on the requests of enterprises in the industry, in September this year, the MoIT issued Decision No.2466/QD-BCT on the investigation and application of anti-dumping and anti-subsidy measures for some cane sugar products originating from Thailand.

Besides, in June this year, the ministry issued Decision No.1715/QD-BCT on the investigation and application of anti-dumping measures on some liquid sugar products extracted from corn starch, also known as high-fructose corn syrup, imported from China and South Korea.

Currently, both cases are under investigation. The Trade Remedies Authority will investigate following the Law on Foreign Trade Management and related legal documents to establish a fair competitive environment in the context of international economic integration to protect the legitimate rights and interests of the domestic manufacturing industry from anti-competitive acts from outside.

3. New tax decree eyes cross-border transactions

Commercial banks are to be required to turn taxpayers' account information over to tax agencies. For the time being, the agencies only require the names of the owners, account numbers and the dates on which the accounts were opened or closed, according to Luu Duc Huy, head of the Department of Tax Policies under the Vietnam General Department of Taxation.

Huy stressed the need for tax agencies to be able to monitor the cash flow generated by transnational businesses, especially those that operate online.

"The single most important tool for us is to closely monitor the cashflow and this could be achieved with the cooperation of commercial banks," he said.

For instance, commercial banks and other financial institutions have an obligation to fulfil any tax duties of their foreign-based clients, who sold goods and services - including e-commerce products and services - into Viet Nam's market yet failed to register or failed to declare income or meet financial duties to the country's tax authority.

In cases the banks were unable to do so, they must compile a list of transactions and the amount transferred, which will later be submitted to the general department.

"Commercial banks are among many other tools at our disposal to monitor and manage revenue by e-commerce businesses in and out of the country," Huy said.

Internet giants such as Google, Facebook and Youtube are likely to be singled out and put under scrutiny under the new decree.

Not just business-to-business transactions, personal account transactions will also be monitored, said Dang Ngoc Minh, the general department's deputy head.

"We prefer foreign-based businesses to register with the tax authority. However, should they fail to comply we will be collecting evidence and request commercial banks to track personal accounts that were involved," Minh said.

Meanwhile, payments made to personal bank accounts from Google, Facebook and Youtube will be monitored for irregularities. In the meantime, tax agencies continue to encourage individuals to come forward and register and declare income with the authority.

The general department has been working on a solution for big tech companies such as Amazon, Netflix, Google, Facebook and Youtube to meet their financial duties for businesses in Viet Nam.

4. Money still pours into real estate

Overall, credit in the first three quarters of this year was low, but real estate credit still posted a fairly good growth. In comparison with the real estate credit outstanding balance of VND521.82 trillion in 2019, which accounted for 6.37 percent of the industry's credit, real estate credit outstanding balance reached more than VND526.39 trillion in the first quarter of this year, nearly VND580.17 billion in the second quarter, and VND606.25 trillion by August this year.

However, as the total outstanding loans of the whole industry also increased from VND8.19 quadrillion in 2019 to VND8.3 quadrillion in the first quarter of this year, VND8.49 quadrillion in the second quarter, and VND8.59 quadrillion by August, the real estate credit growth basically remains within the safe limits at 6.3-7 percent.

A recent report by the Ho Chi Minh City Real Estate Association (HoREA) also shows that the total credit outstanding balance in Ho Chi Minh City in the first ten months of this year reached about VND2.42 quadrillion, an increase of 5.5 percent compared to the end of 2019. Of which, the real estate credit outstanding balance was about VND293.75 trillion, up by 5.9 percent compared to the end of last year.

Non-performing loans of real estate enterprises accounted for 2.7 percent of total real estate loans. The HoREA also assessed that real estate credit outstanding balance and bad debts were still within the safe threshold. However, there is a possibility that some real estate credit loans, which are investments in real estate bonds of credit institutions and individuals, might turn into bad debts. Besides, consumer credit outstanding balance, especially for some home repair and home construction loans but having switched to real estate trading, also has many risks. This accounted for 1.7 percent of the total consumer credit outstanding balance, so it is essential to have an appropriate mechanism for control and management.

Assessing the real estate credit, Dr. Can Van Luc, Chief Economist of BIDV, said that the bank credit channel for real estate loans had still posted growth in the past three years. If fully and accurately calculated, this figure is at about 7-8 percent per year, still lower than the credit growth rate of the whole industry at 13-14 percent.

'Real estate credit is still increasing, which means that the market is not frozen, but there is a shift in

investment flows towards a healthier direction,' he said.

According to many experts, besides the main source of capital for the real estate market, which is bank credit, this market has been attracting other sources of capital, such as personal investment capital, capital from stock and bond issuances of listed companies, and FDI capital.

In fact, over the past time, when credit capital for real estate was tightened at banks to limit risks, the bond market of real estate enterprises was very active. Statistics of securities companies show that in the first nine months of this year, bonds of real estate enterprises continued to lead the issuance proportion. Nearly 90 real estate companies issued nearly VND138 trillion worth of bonds, accounting for 40.3 percent of the total bonds of the corporate bond market.

As for FDI flow, Dr. Can Van Luc said that real estate is always one of the three fields that attract the most FDI in Vietnam (the other two fields are industrial processing and manufacturing and electricity generation). Statistics on the website of the Department of Foreign Investment under the Ministry of Planning and Investment or the General

Statistics Office of Vietnam show that although the real estate market suffered double impact by the second wave of Covid-19, the registered FDI capital into the real estate field in the third quarter of this year soared by up to 400 percent compared to the second quarter. By the end of the first nine months of this year, FDI flow into real estate reached US\$3.2 billion, accounting for nearly 15 percent of the total newly-registered FDI capital. This is a good signal for the supplement of an important source of capital for investment in the real estate sector in particular and an important contribution to the investment in socio-economic development in Vietnam in general.

According to the SBV, the structure of credit outstanding balance for real estate business is as follows: Loans for investment in urban projects, housing development projects, and home repair and renovation are VND145.09 trillion, loans for house construction and repair for sale VND84.72 trillion, loans for the purchase of land use right VND65.42 trillion, loans for construction projects of offices and buildings for lease VND40.39 trillion, loans for construction projects of industrial parks and export processing zones VND21.17 trillion, and loans for tourism, ecological and resort projects VND21.43 trillion.

5. 2020 aquatic product exports predicted to hit 8.6 bln USD

Vietnam may earn 8.6 billion USD from exporting aquatic products this year, the same as the figure in 2019, the Vietnam Association of Seafood Exporters and Producers (VASEP) has forecast, adding that it would be a result beyond the expectations of most given the COVID-19 pandemic.

Export turnover stood at 7.8 billion VND in the first 11 months of the year; also the same year-on-year.

After significant declines at the beginning of the year due to the pandemic, aquatic product exports began recovering in July, with November posting impressive year-on-year growth of 13 percent.

Shrimp remains the main export item, with double-digit month-on-month growth seen since June, including a notable 25 percent in September and

October and 28 percent in November. Exports totalled 3.5 billion USD in the first 11 months, up 14 percent year-on-year.

Meanwhile, overall seafood shipments have recovered since August and reached 2.9 billion USD in the first 11 months, down 1.2 percent year-on-year.

The US, the EU, and China continued to be the main importers of Vietnam's aquatic products, with growth of 25 percent, 30 percent, and 15 percent, respectively.

Vietnam is estimated to earn 1.65 billion USD from aquaculture exports to the US, 992 million USD to the EU (excluding the UK), and 1.48 billion USD to China.

6. New technology tools improve auditing efficiency

The fourth Industrial Revolution has basically changed audit methods by applying advanced technologies such as digital signature, digitalisation, and audit data processing software.

Audit activities in the paperless environment, together with the introduction of a number of new digital tools, has been a challenge to State audit agencies in countries around the globe.

One of the successful models in applying technology in auditing operations is the Organisation of Latin American and Caribbean Supreme Audit Institutions (OLACEFS) with the use of digital signature and e-receipt as well as the digitalisation of data to improve the quality, efficiency and transparency in the use of public financial resources.

In recent years, the organisation has focused on seeking measures to strengthen the application of technology in auditing activities.

At its 28th General Assembly in 2018, the OLACEFS adopted the Buenos Aires Declaration affirming the role of State Audit Institutes (SAI) in the new technology era and commitments in applying new technology in the process of supervising the public finance.

At the 29th General Assembly in October this year, the organisation continued to highlight the significance of new technology in auditing activities.

The majority of the OLACEFS' member SAIs agreed that a number of newly-emerged tools, such as e-signature and e-receipt, play an important role in administrative activities and auditing operations. However, the tools have still been on consideration in some SAIs.

The use of e-signature and e-receipt are conditions to ensure the legality of e-transactions, allowing them to be carried out in the electronic environment, prevent the forging of signatures as well as fake documents. The digitalisation of documents facilitates analysing data, and archiving and classifying information, thus saving time and reducing administrative procedures.

However, many member SAIs of the OLACEFS showed their concern about the security and safety of data as well as legal synchrony during the application of the tools, along with the technology foundation and infrastructure.

Meanwhile, in Vietnam, the State Audit of Vietnam (SAV)'s orientation in technological application, especially in audit activities, is reflected in its development strategies and guiding documents, proving its determination in integration efforts, actively seizing opportunities, fully tapping advantages, and mitigating any negative impact from Industry 4.0.

IT application in audit activities also reflects the SAV's pioneering role in its capacity as the Chair of the Asian Organisation of Supreme Audit Institutions (ASOSAI) for the 2018-2021 tenure. Apart from directing ASOSAI's activities, the SAV has gradually affirmed its position with international audit organisations and ASOSAI members regarding reform via specific commitments and actions.

One goal set for the 2026-2030 period is to conduct regular annual audits of budget balances at ministries, centrally-run agencies, provinces, and centrally-run cities. Audits of operations, specialised audits, information technology audits, and audits of the environment will be promoted, with these to account for 30-40 percent of all audits each year. Attention will be also paid to detecting loopholes in mechanisms, policies, and laws.

The SAV will work to move from conventional auditing procedures to digital auditing based on big data, with the support of AI in a proactive manner, and improve auditing capacity to meet the requirements of the Government's management of administration work and supervision work by the National Assembly and People's Councils.

Regarding international cooperation, professional integration will be the key pillar, towards the goal of quickly narrowing the gap in professional capacity between the SAV and counterparts in the region and the world. Multilateral cooperation will be geared towards raising the SAV's position in the international community through joining in the

implementation and drafting of common auditing standards and rules.

Meanwhile, bilateral cooperation will focus on the sharing of experience and technology to enhance the

SAV's capacity. The SAV will organise a various coordinated audits, send or receive auditors for training, and conduct cross-assessments with regional and global supreme audit agencies.

7. Viet Nam has many opportunities to promote halal exports

The global halal food market has great potential and Viet Nam could have sustainable development in this market if it uses its advantages, such as being an important link in the region, Deputy Minister of Foreign Affairs Bui Thanh Son said.

In addition, Viet Nam is implementing a development project with the Middle East and African countries with about 30 per cent of the Muslim population, he said at a forum on halal food in Ha Noi on Monday.

This was the first time the Ministry of Foreign Affairs (MOFA) had worked with the Ministry of Agriculture and Rural Development (MARD) to hold the forum to raise awareness about the potential of the halal food market for local enterprises.

Obaid Saeed Obaid Bin Taresh Aldhaheri, Ambassador of UAE in Viet Nam, said the future for the halal industry is promising as the market witnessed significant growth, shown by the Global Islamic Economy Report 2020, which indicated an increase in spending on halal food by 3.1 per cent in 2019 to reach US\$1.17 trillion from \$1.13 trillion in 2018.

The spending is expected to reduce by 0.2 per cent this year due to the COVID-19 pandemic but is predicted to surge to \$1.38 trillion by 2024.

Son said Viet Nam needs to assess the potential of the global halal food market and have enough knowledge about regulations and standards to get halal certification.

At the same time, it needs to exchange experiences and strategies in building the halal food industry and have support for businesses in joining the global halal food market.

"With experiences in having large exports of agriculture, forestry and fisheries over the past 10

years, Viet Nam has a lot of potentials to enter further into the global halal food supply chain," Deputy Minister of Agriculture and Rural Development Le Minh Hoan said.

"Now, Vietnamese enterprises have developed their own exports of halal products without links with other enterprises and without support from ministries, State offices overseas and international organisations relating to halal certifications," Hoan said.

"In the future, the ministry will propose setting up a co-operation mechanism with the MOFA and Vietnamese agencies overseas as well as other relevant ministries to build a supply chain for the halal market," Hoan told Viet Nam News.

"First of all, the MARD will establish a team specialising in this market and it will provide Islam culture and religion information for the domestic firms that pay attention to the halal market. The information will help them get halal certification and have production processes meeting the requirements of Muslim countries."

Speaking about the Indian halal market, Viet Nam Ambassador to India Pham Sanh Chau said India is a country with the third-largest Muslim population in the world, about 172 million people. Indian Muslims account for 14 per cent of the Indian population and 11 per cent of the global Muslim population. They are young so they will have high demand for halal products in the future.

The halal market also has a high potential for the development of non-alcoholic personal care products for vegetarians, Chau said.

Vietnamese export enterprises have many products certified as halal by Islamic countries, such as food, agricultural and aquatic products. They include Orion Vina, Vinamilk, Nestle Vietnam, Cai Lan Oils

and Fats Industries, Tuong An Vegetable Oil Company and Minh Phu Seafood Company, he said.

Every year, about 50 Vietnamese companies are granted halal certifications mainly for seafood, beverages, canned foods, confectionery, vegetarian food and pharmaceuticals products.

However, Chau said, many Vietnamese businesses do not know accurate information about trade regulations of Muslim countries or about halal concepts.

Before applying for halal certification, businesses should carefully study the organisation that will issue certification, he said.

To further penetrate the global halal market, including India, Chau said Vietnamese businesses need to learn about Islamic culture because Muslims pay great attention to spirituality.

For the production process, they need different factories, equipment and workers between producing halal products and non-halal products, he said.

Nguyen Van Hoi, director of the Institute of Industrial Strategy and Policy Research under the Ministry of Industry and Trade, said Viet Nam has exported many products to the Middle East and Africa, including rice, coffee, pepper, tea, seafood and fruits.

To boost exports of Viet Nam's halal agricultural products, Hoi said, it is necessary to strengthen ties between ministries, sectors, chambers of commerce and industry, associations and businesses, as well co-operation with partners in the Middle East and Africa.

In addition, Viet Nam needs to improve the legal framework, mechanisms and policies to facilitate exports of agricultural products from Viet Nam to this region.

Local enterprises should participate further in trade promotion activities, market surveys, and some annual specialised fairs and exhibitions for agricultural and food products in the region.

MARD Deputy Minister Hoan said ministries and localities need to study proposals from businesses, associations and organisation granting halal certification to provide suitable support for enterprises joining the halal production and supply chain.

Meanwhile, Deputy Minister of Foreign Affairs Dang Minh Khoi said the MOFA will continue to work with the MARD and agencies to build policies promoting exports of halal products and the development of the halal industry in Viet Nam.

Vietnamese offices abroad will continue to support local businesses to access the global halal market, especially at large halal food centres, he said. At the same time, they will provide more information about market trends, consumption habits, cuisine and cultures of Muslims for local businesses.

Corporate News

8. HSG: Major shareholder to sell entire stake in steel giant Hoa Sen

↑ 3.34%

The stake sale will take place between December 4 this year and January 4, 2021, via both order-matching and put-through methods.

A total of 43.14 million shares of Hoa Sen under the ticker HSG will be sold to meet "financial needs," the Hoa Sen Holdings Group said in its latest filing with the Ho Chi Minh Stock Exchange.

The group is a private company owned by Le Phuoc Vu, chairman and founder of steelmaker Hoa Sen. Vu personally holds a 16.72 percent stake in Hoa Sen.

This is the fourth time this year the Hoa Sen Holdings Group has pulled capital out of Hoa Sen company. Its latest stake sale was in November,

when it sold 30 million HSG shares to bring its ownership down to 9.7 percent from 16.45 percent. It held 24.32 percent of the steelmaker at the beginning of the year.

HSG shares are currently trading at its highest levels in the past two years, but plunged 2.18 percent Wednesday, to VND17,950 (\$0.78) per share, after news of the stake sale was released. Based on the current trading price, the deal would be worth around VND770 billion (\$33.35 million).

Hoa Sen posted post-tax profits of over VND700 billion (\$30.3 million) in the first nine months of the 2019-2020 financial year, up 153 percent year-on-year.

9. FPT: FPT and Thiên Long sign digital transformation consulting contract

↑ 0.00%

FPT will build a roadmap for digital transformation for the next year and a vision for the next three to five years in line with the reality and business strategy of Thiên Long.

This contract is a step to concretise the Memorandum of Understanding on digital transformation signed by the two parties in October.

Both sides expect that FPT will bring out a comprehensive digital transformation roadmap for Thiên Long in three aspects.

First is the digital transformation strategy and roadmap with a list of digital initiatives to be implemented, which will focus on digitising and optimising operations, building smart factories with advanced technologies.

The second is the strategy and roadmap for transforming information technology (IT) systems to meet the operation of application systems and data centres.

The third is the strategy of converting human resources to meet the requirements of the digital transformation strategy.

Cô Gia Thọ, Chairman of Thiên Long, said that the group set a target of revenue of VNĐ10 trillion (US\$430 million) in the next five years. There were many factors required for the corporation to achieve this goal and IT was one of the indispensable factors.

Trương Gia Bình, FPT Chairman, said that digital transformation was the opportunity for businesses to change, manage and operate better, shorten time to bring products to market.

Research Team:**Tsugami Shoji**

Researcher

jsi@japan-sec.vn**Disclaimer:**

Copyright 2015 Japan Securities Incorporated (JSI). All rights reserved. This report has been prepared on the basis of the information believed to be reliable at the time of publication as provided by StoxPlus (www.stoxplus.com) - An associate company of Nikkei Inc. and QUICK Corp. JSI makes no representation or warranty regarding the completeness and accuracy of such information. This report is provided, for information purposes only and does not constitute an offer or solicitation to buy or sell any securities discussed herein any jurisdiction. Investors must make their investment decisions based upon independent advice subject to their particular financial situation and investment objectives. This report may not be copied, reproduced, published or redistributed by any person for any purpose without the written permission of an authorized representative of JSI.

Japan Securities Incorporated – JSI

Address: 14F, TNR Tower, 54A Nguyen Chi Thanh, Lang Thuong, Dong Da, Hanoi

Tel: (024) 3791 1818

Fax: (024) 3791 5805

Email: info@japan-sec.vn

Website: www.japan-sec.vn