



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. Shares gain on the back of banking stocks

Vietnamese stock markets ended Wednesday on a positive note, largely led by gains in financial shares and heavy-weight stocks.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange was up 0.70 per cent to close at 1,170.08 points.

It had lost 0.54 per cent to close Tuesday at 1,161.97 points.

More than 723.9 million shares were traded on the southern bourse, worth VND17.9 trillion (US\$776 million).

Market breadth was positive with 279 gaining stocks and 177 losers.

Banking group outperformed in the afternoon trading session and strongly supported the market, with Sai Gon-Ha Noi Bank (SHB) increasing 3.2 per cent, Asia Commercial Bank (ACB) rising 2.5 per cent, Military Bank (MBB) gaining 2.2 per cent and Vietinbank (CTG) rising 1.3 per cent.

The large-cap tracker VN30-Index gained 0.8 per cent to stay at 1,172.26 points.

Twenty-five of the 30 large-cap stocks in the VN30 basket increased while four lost ground.

Real estate company Khang Dien House (KDH) was the largest gainer in the group with over 3-per cent increase, Military Bank (MBB) ranked second with more than 2-per cent gain.

FPT Corporation (FPT), Vinhomes (VHM), Techcombank (TCH), Bao Viet Holdings (BVH),

Mobile World Group (MWG), Vingroup (VIC) and Sacombank (STB) were the stocks that gained more than 1 per cent.

On the other side, Petro Vietnam Gas JSC (GAS) and Viet Nam National Petroleum Group (PLX) were among the losers with more than 1-per cent decrease. Other losers included The Refrigeration Electrical Engineering Corporation (REE), Hoa Phat Group (HPG) and Masan Group (MSN).

“Lower market liquidity and positive market breadth showed positive trading signals from investors,” said BIDV Securities Co.

“Foreign investors remained net sellers on both HoSE and HNX. With the trend of cash flow moving into the mid-cap group, BSC recommends investors increase their portfolio proportion in small and mid-cap stocks when foreign investors continue net-selling large-cap stocks,” the company said.

Foreign investors net sold VND473.56 billion on HOSE, including dairy firm Vinamilk (VNM) (VND185.4 billion), Vietinbank (CTG) (VND84.9 billion), and steel maker Hoa Phat Group (HPG) (VND80.5 billion). They were net sellers on the HNX with the value of VND6.35 billion.

On the Ha Noi Stock Exchange, the HNX-Index rallied 0.86 per cent to end Wednesday at 267.10 points.

The index gained 0.54 per cent to end Tuesday at 264.83 points.

More than 163.2 million shares were traded on the northern market, worth VND2.4 trillion.

## Macro & Policies

### 2. Vietnam, Sweden enhance trade connectivity

Figures released by the General Department of Vietnam Customs indicate that two-way turnover between Vietnam and Sweden in January reached approximately US\$160.89 million, of which Vietnamese exports surged by 99.94% to roughly US\$132 million compared to the same period from last year.

Meanwhile, Vietnamese imports from Sweden increased by 11.98% to US\$28.89 million against the same period of 2020.

With advantages gained through innovation and high technology, key Swedish export items to Vietnam include machinery, along with spare parts for the industry and telecommunications sectors. Sweden imports agricultural products, footwear, textile and wooden products from the Vietnamese market.

According to Vietnamese Ambassador to Sweden Phan Dang Duong, mutual trade relations are both complementary and non-competitive, especially in terms of tropical and processed agricultural products that are in high demand in Sweden as well as other EU member states.

At present, Vietnam's export scale to the Nordic region as a whole remains limited, with the export turnover reaching only US\$2.5 billion. Therefore, there remains plenty of room for growth in the export of key Vietnamese products to this lucrative market.

Most notably, the enforcement of the EVFTA in August 1, 2020, serves to gradually remove barriers and helps to open the door for Vietnamese goods to make greater inroads into the potential Nordic market, especially Sweden.

Ambassador Duong reveals that in line with the terms of the trade pact, the EU gives Vietnam a quota of 80,000 tonnes of rice with a 0% tax rate per year, whilst also eliminating tax on broken rice over five years.

Thanks to these benefits, the Vietnamese rice has gradually grown a presence in this demanding market, with export turnover increasing from roughly US\$100,000 in previous years to over US\$1 million last year, says Ambassador Duong.

Along with rice, other key Vietnamese products also enjoy bright prospects for penetrating the Swedish market, including furniture, frozen tropical fruits, coconut milk, frozen vegetables, textiles, and footwear.

The Vietnamese diplomat also emphasises that the establishment of websites for Nordic businesses can gain more insights about the local business climate, while opportunities brought about by the EVFTA will facilitate the penetration of more Vietnamese goods which can be exported to the Nordic market in the near future.

### 3. Vietnam – Algeria – Senegal agriculture matchmaking seminar to take place next month

Over 100 representatives of organisations and enterprises from Vietnam, Algeria and Senegal are expected to attend a virtual matchmaking seminar on farm produce among the three countries next month.

Co-hosted by the Vietnamese Ministry of Industry and Trade's Department of Trade Promotion (Vietrade) and Asia-Africa Market Department, the

event will take place from April 5-6, connecting three main locations – Hanoi (Vietnam), Algiers (Algeria), and Dakar (Senegal).

It is expected to provide an opportunity for the three countries to introduce about their strengths, strengthen cooperation in trade and investment, and connect their agricultural and food producers amid the ongoing COVID-19 outbreak.

According to the General Department of Vietnam Customs, Vietnam's exports to Algeria totalled around 150 million USD last year with main export items including coffee (94 million USD), fishery products, pepper, rice, cashew nut, aluminium and other metals, chemicals, fabrics, footwear and machinery. Vietnam's imports from the African country, mostly chicken feet, scrap paper, cattle feed and pharmaceuticals, only valued about 3 million USD.

Meanwhile, in 2019, Vietnam shipped to Senegal more than 52.5 million USD worth of goods, mainly

rice, pepper, confectionery, textile and garment, fruits and vegetables, fishery products, vehicles and parts. The Southeast Asian country spent some 41.3 million USD on imported goods, mostly raw cashew nut, cotton, fishery products and cattle feed, from Senegal.

Last year, due to impacts of COVID-19, Vietnam's shipments to Senegal plunged to 39 million USD, nearly 38.5 percent of which came from rice. The African nation is in need of 800,000 to 1 million tonnes of imported rice annually for domestic use and re-export.

#### 4. Bright outlook for domestic timber industry

Vietnam should develop a generation of young entrepreneurs in the timber industry, and consider it a sector for startups, said President of the Handicraft and Wood Industry Association (HAWA) of HCM City Nguyen Quoc Khanh.

At a recent conference between businesspeople and Prime Minister Nguyen Xuan Phuc, Khanh said Vietnam now ranks second worldwide in wood export, even outstripping Italy and Germany.

"We have completed the five-year target set by the Prime Minister in 2018 two years in advance," he said.

Despite the COVID-19 spread, Vietnam earned 13.17 billion USD from wood exports in 2020, up 16.4 percent year-on-year, surpassing the yearly target by 5.4 percent, Khanh said, adding that the sector ran a trade surplus of 10 billion USD last year.

He stressed that it is the only industry in Vietnam that has posted double-digit growth over the past 18 years.

According to Khanh, about 1 million labourers are working in the sector, and the number is predicted to stand at around 2-3 million by 2045.

Emphasising the important role by the industry to the national economy, Khanh expressed his belief that the sector can maintain the strong growth and its present position in the world market in the next decades.

However, to achieve the goal, the industry should continue to engage in environmental protection, step up forestation and ensure markets for farmers' products, he suggested.

He pointed to the ample space in the world market for the Vietnamese timber industry, as it now makes up only 6 percent of the 450 billion USD global market.

Khanh also suggested more investments in technology and digital transformation, and raising added value for the sector.

#### 5. E-commerce websites to be given ratings

This is one of the solutions the Việt Nam e-Commerce and Digital Economy Agency (iDEA) under the Ministry of Industry and Trade (MoIT) has proposed to promote the development of the e-commerce market in 2021-25.

According to the ministry the national overall e-commerce development plan aims to support and promote the wide application of e-commerce in businesses and community; narrowing the gap among big cities and localities in e-commerce development and building a healthy, competitive and sustainable market.

The plan also aims to expand the consumption markets for Vietnamese goods both inside and outside the country through e-commerce. It will also promote trans-border e-commerce transactions, helping Việt Nam become one of three leading e-commerce markets in Southeast Asia.

These goals are why the ministry asked iDEA to study and propose key solutions to reach targets, strengthening the protection of consumers' legitimate interests in the e-commerce environment.

The iDEA will continue to complete the legal framework, building programmes, policies and solutions to encourage the rating of e-commerce websites as well as rating platforms.

MoIT said in the context of the COVID-19 pandemic and the boom of the online shopping market, iDEA planned to develop an e-commerce ecosystem.

In the next five years, in addition to building policies, an e-commerce trust platform would be a tool for

assessing e-commerce businesses. This rating would be available to consumers.

Other goals for 2015-25 would include building a guaranteed payment system, resolving online disputes, applying e-vouchers in commerce; applying standard delivery services in e-commerce. The ministry would also deploy a chain of events to develop e-commerce and support reputable Vietnamese manufacturers.

In 2021, iDEA would launch the GoOnline programme to help businesses enter the e-commerce environment.

Earlier, the e-commerce report for Southeast Asian countries in 2019 by Google, Temasek and Brain & Company predicted the average growth rate for 2015-25 of Việt Nam's e-commerce market would be 29 per cent.

It is forecast that by 2025, Việt Nam's e-commerce scale will reach US\$43 billion and rank third in ASEAN.

## 6. IMF: Vietnam's inflation in 2021 may remain at 4 per cent

According to the International Monetary Fund (IMF), inflation in Vietnam will be 4 per cent, higher than last year's 2.31 per cent.

IMF emphasised that the risk of slowing down remains for the Vietnamese economy although the country has been controlling the pandemic very well. Therefore, Vietnam should soon map out measures to address prolonged negative impacts. Notably, it is necessary to review fiscal solutions to protect labourers and also vulnerable households.

Once the economy completely recovers, the IMF recommended that the fiscal adjustment should focus on mobilising revenue assignments to form a fiscal space for infrastructure investments, social welfare, and green growth projects.

"It is necessary to steadily withdraw support packages for viable firms during the health crisis, and reapply regulations of debt classification for debt rescheduling," the IMF noted. "In addition, tightening the review of financial risks and solving problematic loans on time is essential."

Moreover, the organisation also recommended Vietnam should strive to eliminate obstacles to private investment and to improve social security.

"Priority should be given to reducing labour skill-mismatches, promoting digital transformation, and ensuring a level playing field, particularly for SMEs," noted the IMF.

## 7. Seafood exports to grow this month



The association said the increase could be up 1.5 per cent over the same period in 2020 and markets including the US, EU and other countries in the CPTPP will maintain growth.

After increasing by 23.4 per cent to reach \$600 million in January 2021, seafood exports in February fell 19 per cent compared to February 2020, estimated at more than \$405 million. Lower sales last month was due to the Lunar New Year holiday. Thus, to the end of February 2021, seafood exports reached over \$1 billion, up by 2.2 per cent.

VASEP said in the first two months of the year, Viet Nam's seafood exports continued to be dominated by consumption trends amid the COVID-19 pandemic, which increased demand for affordable and easy to process seafood products.

Frozen small white shrimp, processed white-leg shrimp, fish balls, surimi, and whole fillets, cut pieces, dried anchovies and dried squid were some of the best selling products. Meanwhile, exports of frozen whole shrimp products, especially tiger shrimp, decreased due to the high prices and the tight control of frozen foods entering the Chinese market.

Export activities in the first two months of the year were still limited due to the rising sea freight costs, said VASEP.

Shrimp exports in February were estimated at nearly \$160 million, down 18 per cent from the same period in 2020, and by the end of February, shrimp exports reached over \$380 million, down slightly by 0.8 per cent over the same term last year. Black tiger shrimp exports decreased by nearly 40 per cent, while white-leg shrimp exports still accounted for an increasingly large proportion at 80 per cent of total shrimp exports with about \$304 million, an increase of about 14 per cent from the same term last year.

After continuous decline in 2020, fish exports saw positive signs earlier this year. In January, they

increased 22 per cent to reached \$123.5 million. In the first two months, the export of fish products reach \$214 million, up 1.7 per from last year.

Nguyen Ngo Vi Tam, General Director of Vinh Hoan Corporation, said that pangasius exports in February fell sharply because of the New Year in China.

Tam said: "This decrease happens due to the Chinese New Year. Currently, due to the pandemic, exports are slower."

Tam said they could not transport products to China from mid January until March.

Meanwhile, pangasius exports to the US have been growing. In January 2021, the export of frozen pangasius fish fillets increased by 54 per cent, while whole pangasius fish increased by 162 per cent.

Recently, Colombian importers have also increased their purchases of local whole pangasius. In January 2021 these importers bought mostly whole pangasius, and only a small quantity of pangasius fillet.

Except for China and the EU, local pangasius exports tended to recover strongly in all markets, sharply increasing to the US with 51 per cent in January and to CPTPP countries by 38 per cent, including to Mexico by 73 per cent, to Australia by 45 per cent and to Canada by 42 per cent. Exports to other markets such as Brazil, Colombia, UK, and Russia all increased from 37-129 per cent.

VASEP estimated the export turnover in March to reach about \$640 million, up 1.5 per cent over the same month of 2020.

The association said exports to the US, EU and CPTPP countries would remain steady thanks to high demand and the advantage of different free trade agreements including the EVFTA and CPTPP.

## Corporate News

### 8. CTD: Coteccons appoints four new deputy general directors

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They are Chris Senekki, Dr. Phan Hữu Duy Quốc, Võ Hoàng Lâm and Nguyễn Ngọc Lân.

Chris Senekki is former general director of Turner Construction Company in Việt Nam and has over 22 years of experience in the construction field, known for many international and domestic projects such as Qatar Petroleum, BOT Larnaka Port, Marina & BOT New Larnaka International Airport (Cyprus), Porsche Autohaus (HCMC) and Hilton Saigon Hotel.

It is expected that Senekki will officially join Coteccons in mid-April 2021.

Dr. Phan Hữu Duy Quốc is former deputy representative of Shimizu Vietnam, an expert in the

construction field with 19 years of experience in Japan, is one of the key personnel involved in the construction of Metro No. 1, Bình Khánh Bridge.

He is also a member of the Central Committee of the Vietnam Fatherland Front Session 8 and an expert at the State Council for Pre-Acceptance Test of Construction Works for key projects.

The company has also appointed Võ Hoàng Lâm, general director of Unicons, and Nguyễn Ngọc Lân, division director of Coteccons' construction division, as deputy general directors of Coteccons.

Coteccons' leaders have told the press that the company will work together and will not depend on a few individuals, taking the strength of the group as the foundation for the steps of growth and enhancing customer value.

### 9. TMS: BOD resolution dated Mar 08, 2021

↓ -1.64%

Transimex Corporation (TMS) announces the Board resolution dated March 08, 2021 with the following contents:

- 1) Approving the report on the business result in 2020 and plan for 2021.
- 2) Approving the report on the financial & investment result in 2020 and plan for 2021.
- 3) Approving to buy Seaspimex shares.
- 4) Approving to issue non-convertible bond (maximum VND300 billion).
- 5) Approving to appoint Mr. Le Phuc Tung as Deputy CEO in 03 years as from April 01, 2021 to March 31, 2024.

6) Approving the contents of the Annual General Meeting 2021:

- Agenda of the Annual General Meeting 2021;
- Regulation for organizing the Annual General Meeting 2021;
- Report on the BOD activities in 2020 and plan for 2021;
- Reports, including:
  - + Approving the consolidated audited financial statements in 2019;
  - + Report on the selection of the auditor for the financial statements in 2020;
  - + Report on the profit distribution, dividend payment in 2019 and plan for 2020.
  - + Report on the supplement of business lines.

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