



# VIETNAM DAILY NEWS



JAPAN SECURITIES INC.

April 15th, 2021

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## Market Analysis

### 1. Market rebounds, VN-Index returns to 1,250 point-level

Shares settled higher on Wednesday, reversing their morning course on recoveries of materials and banking stocks.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) closed Wednesday's trade at 1,255.87 points, up 7.54 points, or 0.6 per cent. The index fell 0.37 per cent in the morning trade after losing 0.33 per cent on Tuesday.

The market's liquidity remained high as nearly 862 million shares were traded on the southern bourse, worth over VND19.3 trillion.

The index might continue to be weighed by correction pressure in the next few sessions before returning to its short-term rally, Bao Viet Securities Company's stock analyst Tran Xuan Bach said.

"In general, the index is still expected to gain points, heading to resistance territory of 1,275 - 1,300 points in the near term," Bach said, adding that local cash flows remain the key momentum to support the market.

The rally returned on gains of large-cap stocks in banking and materials sectors.

The VN30-Index, tracking 30 large-cap stocks on HoSE, climbed 1.05 per cent to 1,290.77 points. Twenty of the 30 biggest stocks in VN30 basket rose while nine stocks declined and one ended flat.

Hoa Phat Group (HPG) contributed the most to the market, up 5.79 per cent. Followed by Masan Group Corporation (MSN) with shares hitting the maximum daily gain of 7 per cent to VND100,700.

Other stocks listed in top five influencing the market's rally were Vietcombank (VCB), real estate developer No Va Land Investment Group Corporation (NVL) and Vietinbank (CTG).

PetroVietnam Gas JSC (GAS), Mobile World Investment Corporation (MWG), FPT Corporation (FPT) and Vietjet Aviation JSC (VJC) also posted positive performance.

Meanwhile, losses in Vinhomes JSC (VHM), Vingroup JSC (VIC), Viet Nam Dairy Products JSC (Vinamilk, VNM) and Viet Nam Rubber Group JSC (GVR) capped the market's gain.

VHM shares posted the biggest losses in market capitalisation, down 1.95 per cent.

Bach recommended investors keep stock proportion in their portfolio at 65 - 80 per cent. Investors with high cash ratio might consider opening long positions to increase stock proportion in correcting sessions.

On the Ha Noi Stock Exchange (HNX), the HNX-Index also edged higher on Wednesday, up nearly 0.9 per cent to 294.83 points. The HNX30-Index increased 1.13 per cent to 446.69 points.

During the session, domestic investors poured nearly VND2.7 trillion into the northern market, equivalent to a trading value of over 167 million shares.

However, foreign investors returned to net sell on both exchanges with a value of over VND1 trillion on HoSE and a net value of VND15.26 billion on HNX.

## Macro & Policies

### 2. Key export sectors the target of M&As by foreign investors

Several of Vietnam's key export sectors, such as textile-garment, leather-footwear, and electronics have become magnets for merger and acquisition (M&As) activities, posing a risk of leading enterprises in those sectors being purchased by foreign investors.

An advantage of Vietnam's textile-garment industry is low labour costs, and it was also identified as one of six sectors on a list of supporting industry products prioritised for development.

The country has become the “footwear factory” of the world, while the domestic market boasts a population of more than 96 million.

Vietnam is also establishing itself as the world's electronic manufacturing hub, with FDI continuing to flow into the sector over recent years.

Tran Phuong Lan, an official from the Vietnam Competition and Consumer Authority at the Ministry of Industry and Trade (MoIT), said that apart from existing development potential, opportunities created by bilateral and multilateral free trade agreements (FTAs) have also fuelled those industries' development.

For example, she noted, under the EU-Vietnam FTA that took effect on August 1, 2020, 42.5 percent of import tariffs on textile-garment products were immediately eliminated, while those on leather-footwear items will be gradually cut to zero percent. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which came into force on December 30, 2018, abolished tariffs on Vietnam's textile-garment products exported to other member countries.

A recent study of COVID-19's impact on certain main industries in Vietnam noted that there have been signs of M&As surging in the textile-garment, footwear, and electronics sectors over the last three years.

In 2018, Japan's Itochu Corporation spent 47 million USD on purchasing nearly 10 percent of shares in

the Vietnam National Textile and Garment Group (Vinatex), raising its stake to almost 15 percent and becoming the second-largest shareholder, after MoIT.

Notable M&A deals last year included the one between the Taekwang MTC Vietnam Co. Ltd and the Jin Heoung Vina JSC in the leather-footwear industry, and the one between the Zenith Electronics LLC and Luxoft USA Inc. in the electronics industry.

Investors from the Republic of Korea, who have continually conducted large-scale M&A deals in Vietnam, also tend to select sectors with potential, like textile-garment, leather-footwear, and electronics.

Economic experts cited the experience of other countries as showing that to ensure effective M&A activities and protect the interests of all sides involved it is necessary to perfect related legal regulations, especially those on information transparency, and set up a regular consultative mechanism between the MoIT and the Ministry of Planning and Investment to develop an M&A database for key industries like textile-garment, leather-footwear, and electronics.

Vietnamese enterprises should proactively diversify technical solutions to keep information transparent, identify their targets in M&A deals, and analyse partners to avoid risks during negotiations.

In particular, experts noted, in M&As involving foreign firms, businesses should have a good grasp of market information and carefully assess foreign investors regardless of the deal's value.

Nguyen Thi Tong, former Vice Chairwoman and former Secretary-General of the Vietnam Leather, Footwear and Handbag Association, recommended that as the leather-footwear and handbag sector is one of Vietnam's five key export industries, businesses should make proactive moves to boost their capacity and cooperation via M&As within their sector, to secure sustainable development.

### 3. Over VND27 trillion sought for key roads leading to seaports in HCMC

The proposal was made to come up with a plan to allocate the mid-term public investment capital in the 2021-2025 period, which will be submitted to the Government and the National Assembly, the local media reported.

Among the six projects, the My Thuy Intersection in Thu Duc City requires an investment of more than VND3.6 trillion and is under construction. The project has entered the second phase, in which the My Thuy 3 and Ky Ha 4 bridges, an overpass for vehicles traveling from Cat Lat Port to Phu My Bridge and a tunnel are being developed.

However, the site clearance work for the project has been separated into a subproject, resulting in an investment hike.

In the first phase of the project, which cost VND838 billion, a tunnel and a flyover have been put into service. The remaining items, once in place, are expected to reduce traffic congestion and accidents and improve the cargo transport along Dong Van Cong, Vo Chi Cong and Nguyen Thi Dinh streets to Cat Lai Port in Thu Duc City.

The municipal Department of Transport also proposed prioritizing capital for two sections with a total length of six kilometers of Ring Road No. 2 in Thu Duc City. The first section, which is 3.5 kilometers long and stretches from Phu Huu Bridge to Hanoi Highway, will need VND9 trillion, while the second section, which is 2.5 kilometers long and connects Binh Thai Intersection on Hanoi Highway to Pham Van Dong Street, including the construction of an intersection on Pham Van Dong Street and Ring Road No. 2, will cost nearly VND5.6 trillion.

The two sections are important to ease traffic on Hanoi Highway and National Highway 1 and boost the connection among ports in Thu Duc City, such as Phu Huu, Truong Tho and Cat Lai.

In addition, more than VND7 trillion has been sought for a 6.7-kilometer section of the North-South road

from Nguyen Van Linh Street to Ba Chiem Bridge in districts 7 and Nha Be.

The department has also suggested developing two sections of the eastern ring road in Thu Duc City, including one spanning from Phu My Bridge to My Thuy Intersection and another from My Thuy Intersection to Nguyen Duy Trinh Intersection. The two sections, which are 2.9 and 2.2 kilometers, require an estimated investment of over VND1.2 trillion and VND1 trillion, respectively.

The three projects are essential to connect to Hiep Phuoc Port in Nha Be District and Cat Lai Port.

The main seaports in HCMC are located in districts 4, 7, Thu Duc and Nha Be and connected to many key roads with a total length of over 80 kilometers. The volume of cargo transported through seaports has exceeded the figure forecast for 2025, while the cargo is mainly transported on roads, causing an overload on Huynh Tan Phat Street in District 7 and Mai Chi Tho, Dong Van Cong, Nguyen Thi Dinh and Nguyen Duy Trinh streets in Thu Duc City.

Late last year, a plan to collect fees for using infrastructure facilities and public services at seaport terminals in the city was approved. The plan will be deployed from July this year and is expected to help bring in more than VND3 trillion a year. The fee revenue will later be used to develop the road system near seaports.

According to the municipal Department of Transport, roads near seaports should be developed to achieve a consensus and effectiveness in the collection of infrastructure fees at seaports.

If the capital for the six traffic projects cannot be sourced from the mid-term public investment plan in the 2021-2025 period, the department proposed suspending or extending the investment in projects that are not urgent to ensure capital for the six projects mentioned above.

### 4. Rising material and feed costs bridle husbandry companies

The consecutive increases of animal feed prices over the last few months have caused a lot of challenges for farmers. In March, farmer Nguyen Van Hau in the southern province of Dong Nai's Trang Bom district received notices of increased prices from all leading animal feed producers. Of these, Japfa Comfeed raised its asking price five times in the period, while others like C.P., Masan, Cargill, De Heus, Emivest, Greenfeed, and more are said to have adjusted prices six times.

The average increase has been around VND400-800 (1-3 US cents) per kg, the highest rise ever, with companies warning that further rises could follow in the months to come.

Hau said that the increases in March were twice as high as regular adjustments. "They have changed the price 5-7 times since last October, with a total of around 17-30 per cent. Sales officers even advised us to order as much as possible, because prices would continue to rise," Hau said.

Meanwhile, in the north, Hoang Manh Ngoc, an egg and poultry farmer from Hanoi's Dong Anh district, said that the price of poultry feed has increased by 50 per cent, from VND800 to VND1,200 (3-5 US cents) per kg, while feed for pigs has increased by 30 per cent or VND1,500 (6.5 US cents) per kg.

### Mixed fortunes

Since mid-2020, the price of animal feed has been rising, a trend that turned into a surge at the end of the year. Among the causes have been price hikes in key cereals such as corn and soybeans, which rose by 20 per cent last month. Even the prices of some additives like lysine and amino acid doubled.

Explaining the spiking prices, a representative of Japfa Comfeed said that the pandemic hit global logistics, significantly escalating freight costs. "One more reason is that China has suddenly started buying record quantities of input materials," said the representative. Numerous animal feed producers agreed that instead of purchasing materials for the whole quarter or year, they were now only able to buy enough for a single month.

Involved stakeholders expected that the selling price of animal feed will rise by another VND1,000 (4 US cents) per kg in May or June, when batches are

being produced. However, these changes will depend on the global market.

Vietnam is one of the top producers of animal feed in ASEAN. However, the local agricultural production can only provide around four million tonnes of bran and four million tonnes of cassava – both important raw materials for animal feed – while the demand is around 27 million tonnes. Meanwhile, other key ingredients like soybean and wheat are not strong advantages of Vietnam.

Thus, the country has to import 70-80 per cent of materials for animal feed production. According to the Ministry of Industry and Trade, in 2020 the import value of these products, as well as additional animal feed, amounted to around \$3.84 billion, up 3.75 per cent on-year.

Amid the price increases for raw materials, small-scale animal feed producers are said to be hit directly, as their supply is decreasing significantly. While they often have to wait for new resources, they themselves have to raise their prices to stay competitive.

"Resource prices increased as fast as during the inflation in 2008 (over 21 per cent)," said farmer Hoang Manh Ngoc from Dong Anh district.

However, at present, despite the sharp increase in animal feed prices, chicken was sold 40 per cent cheaper than in the previous year as demand has been falling in the last few months.

In the case of pig farming, although the selling price of live hogs remains high, the surge in rates for animal feed also impacted re-herding efforts. The representative of Japfa explained that around 250kg of feed valued at around \$130 is required to fatten a pig up to 100kg of body weight.

But as increased prices for feed have added another \$13-22 to the cost, in addition to fees for vaccination and other expenses, "breeders, animal feed producers, and numerous farms do not want to expand their operations to control risks and losses," said the representative.

### Narrowing production

Amid these challenges, another representative of a local animal feed producer said that they have halted



production for two days per week, and general productivity was reduced by 50 per cent, “because the more we work, the more we lose,” he said.

Dabaco Group, one of the leading local husbandry firms, has been facing hurdles in importing materials for its oil pressing and animal feed plants since January due to the interruption of global logistics.

One of the company's vegetable oil plants runs around 18-20 days per month only because imported soybeans are not enough, despite the facility's extensive material storage for up to 100,000 tonnes.

According to Pham Duc Binh, vice chairman of the Animal Husbandry Association of Vietnam, the price of animal feed and ingredients, which will continue to rise, will hit the husbandry sector significantly, potentially pushing some small-scale players over the brink to bankruptcy.

Meanwhile, large companies can predict market changes and cushion them with larger stores of materials. “Due to the delay of import materials and production, this month, numerous factories started to use resources that were bought at the highest prices, so the selling price of animal feed is going to rise soon. However, big players with affordable

materials storage such as C.P., Japfa, and Cargill will dominate the market and push others into losses and even bankruptcy,” said Binh.

For the husbandry sector, it is a big risk to depend on imported materials and animal feed, as price changes remain unpredictable. Small-scale farms are among the most vulnerable to cost rises.

“However, this brings not only a lot of challenges but also opportunities for closed husbandry companies which can cover all phases of the production chain including feed production, husbandry, slaughter, and food processing. As these companies can share risks between the different production stages, they can offset some losses and overcome difficulties. Others with strong capital can also survive for a longer time,” Binh added.

At present, there are about 265 animal feed plants across the country, 85 of which are foreign-invested. However, the latter makes up 65 per cent of the animal feed market.

According to one source, C.P. Vietnam covers around 17 per cent of total market share, while 5-6 per cent is captured by Masan, Japfa, and De Heus each. Another 2-4 per cent features Emivest, Greenfeed, Cargill, New Hope, CJ Vina Agri, Lai Thieu, and Dabaco each.

## 5. Mixed bag for first phase of CPTPP deal

After two years of implementation, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) has created some positive initial impacts, especially in new markets, but benefits for Vietnam from remain modest.

Nguyen Cam Trang, deputy director of the Agency of Foreign Trade under the Ministry of Industry and Trade, said that the growth rate of exports to CPTPP markets was 7.2 per cent lower than the 8.4 per cent growth rate of exports worldwide in the same period.

There is very little information about the effects and impacts of the CPTPP on foreign-invested enterprises (FIEs), what they know about this agreement, and how to take advantage of it, as well

as what is preventing them from accessing what is considered significant opportunities from the agreement.

In Vietnam, the effectiveness of the CPTPP depends partly on estimates and actions of foreign direct investment (FDI). Nguyen Thi Thu Trang, director of the WTO and International Trade Centre under the Vietnam Chamber of Commerce and Industry (VCCI), noted differences in understanding the legal framework between domestic enterprises and FIEs. Meanwhile, the latter accounts for the highest proportion in imports and exports, with special relations regarding issues of investment protection and openness as well as methodical policy and legal matters.

“The biggest reason why Vietnamese businesses have not taken advantage of the incentives from this trade agreement is that they do not know about the tariff incentives under the CPTPP,” Trang said.

The CTTPP is an ambitious agreement that covers every important aspect of trade and investment. During the first period of implementation, FDI flowing into Vietnam has witnessed increases after a quiet period observing US-China trade tensions in 2019, as well as shifts in supply and production chains towards diversification.

In both trends, the inflow of FDI is expected to increase, especially in East Asia and Southeast Asia. The CPTPP is thus considered to be a favourable factor for the overall FDI attraction process. However, the results of attracting FDI during this period did so far not seem to reflect the trends.

Several problems have been identified from this unexpected fact. In 2019, Vietnam attracted approximately \$9.5 billion in registered FDI from CPTPP countries, down nearly 36 per cent compared to 2018. While the total registered capital decreased, the number of new projects increased by 13 per cent compared to 2018, according to data from the Ministry of Planning and Investment.

The average size of new foreign-invested projects from CPTPP countries also fell sharply in 2019, from nearly \$11 million per project in 2018 to about \$4.7 million in 2019, down 56.9 per cent.

In terms of each partner, investment from Japan into Vietnam had the deepest drop in value from nearly \$9 billion in 2018 to just over \$4 billion in 2019, equivalent to a downfall of 52 per cent. In terms of speed, FDI decreased sharply from traditional sources such as Australia (down nearly 63 per cent) and Malaysia (down 50 per cent) as well as other markets.

Overall, 2019 was a year for Vietnam that seemed to be less optimistic in terms of attracting FDI through the CPTPP. While FDI from private CPTPP sources fell overall by nearly 36 per cent, newly attracted

FDI from private CPTPP sources decreased by even over 61 per cent.

However, the results of attracting investment from CPTPP partners in 2020 were more positive than in 2019, as the Ministry of Planning and Investment recorded \$11.8 billion last year.

Trang hoped that the government can make appropriate adjustments in a number of aspects to commit to all business sectors, supporting potential opportunities from the CTTPP that could become more feasible for investors.

However, it is the increase in FDI from the CPTPP in 2020 that has resulted in differing opinions. Some analysts think it is necessary to take a cautious look at the increase in FDI from CPTPP countries in 2020 as it seems to be overblown by comparison with the declines of 2019.

Others argue that the CPTPP and other free trade agreements are contributing to creating Vietnam's own FDI attraction with transfers from China under the influence of the global health crisis.

CPTPP members, including Australia and Vietnam, have responded to the pandemic by fulfilling commitments to rules-based trade and maintaining open, informative, and transparent supply chains.

David Gottlieb, counsellor for economics and development cooperation of the Australian Embassy in Vietnam, commented that COVID-19 “present the global economy with an array of unprecedented challenges including to the principles of free and open trade.”

“But this crisis has demonstrated the importance of cooperation and strong trading relationships,” Gottlieb said at last week's Hanoi-based CPTPP conference backed by the Aus4Reform programme aimed to support Vietnam's reform efforts. “CPTPP members, including Vietnam and Australia, have responded to the crisis by demonstrating our commitment to rule-based trade and by maintaining open supply chains, active communication and transparency.

## 6. Deposits at banks modest due to low interest rates

According to the Department of Credit for Economic Sectors under the State Bank of Vietnam, in the first quarter of this year, the deposit growth reached only 0.54%, well below the credit growth of 2.93% and the average deposit growth of 2.28% in the first quarter of the past seven years, Lao Dong newspaper reported.

At present, the rate for savings of less than six months is 3%-4%. Meanwhile, tenors of six to less than 12 months and over 12 months enjoy a rate of 3.5%-5.5% and 4.6%-6%, respectively.

Although some banks have revised up their deposit rates by 0.1-0.4 percentage points, the banks' average deposit rate in the first quarter remained some 2 percentage points lower than that in the same period last year.

If the trend continues, the banking system's liquidity will no longer be ample this year, according to Bao Viet Securities Company.

Meanwhile, the General Statistics Office stated that capital had been injected into other sectors, with life insurance premium soaring 11%. Meanwhile, the securities market mobilized nearly VND55.6 trillion, surging 42% over the same period last year.

Pham Lam, vice chairman of the Vietnam Association of Realtors, attributed land fevers over the past few months partly to residents' idle money and their expectations of higher prices of real estate products.

According to Dao Minh Tu, deputy governor of the central bank, as of mid-March, banks' outstanding loans for the property sector grew 2.13%, higher than the current credit growth of 2.04%, despite the central bank's close control over credit for the sector.

## 7. Delayed Law on Land holding up real estates

According to previous proposals, the Law on Land 2013 was to be revised at some point after the 13th National Party Congress. A new law was to be considered within the year, with the National Assembly able to discuss the revised draft by the end of 2022. If all goes to plan, the revised law would then need at least three years before being approved.

Simultaneously, and with the party congress now in the rear view mirror and a new government in the process of taking the reins, a summary report of the implementation of the 2013 land law is being led by the Ministry of Natural Resources and Environment (MoNRE), involving every ministry and local authority. The summary report will be sent to the government and submitted to the National Assembly in the second quarter of 2023 the latest.

According to Dang Hung Vo, former deputy minister of Natural Resources and Environment, the current Law on Land contains conflicts with many other laws such as those on housing, real estate business, forestry, zoning, and public asset management.

"The overlap among those laws is the main reason for limiting the new supply for the real estate market as demand continuously increases. This leads to rocketing price increases and speculation which makes the market unstable," Vo said.

Meanwhile, the weakness of the current Law on Land has also created struggles for administrative policies and implementation of land issues, especially in compensation.

Talking with VIR, Lim Hua Tiong, CEO of Frasers Property Vietnam expressed that a revised land law is necessary to enhance the flow of foreign investment to Vietnam – and that means a law with shorter processes, clearer and less complicated regulations, and elimination of conflicts with other laws that would all help investors make faster decisions and open up major chances for their success in Vietnam.

"It must offer equal opportunities for Vietnamese and foreign investors by enabling and granting overseas investors the right to directly obtain land use rights for the purposes of land bank



development for new project establishment,” said Lim.

He added that any revised land law should clarify the measurement of public land, which can be directly allocated/leased to the investor without public auction. “This may shorten the time of the land allocation process and project implementation, respectively,” he added.

One official from the MoNRE noted that the revision of the land law must clarify details and remove unfairness for related parties in inheriting profits brought about by investment in land. Especially, the financial framework for land use which includes land leasing rents must be more relevant to the realities of the market.

“Moreover, the current Law on Land fails to mention many new types of real estate products such as condotels, officetels, or shophouses so a revised one is in need to deal with those products,” said the official.

According to Dang Minh Duc, director of Dong Nai Department of Natural Resources and Environment,

a new law must take into account the current land status of localities.

“The revised Law on Land should clearly regulate the process of appraisal and land use right auction, and the calculation of the value for land compensation. These issues are seriously impacting the implementation of many projects in Dong Nai province,” Duc said.

The MoNRE has revealed that key issues to be considered in the revised land law include the expansion of quotas for agricultural land use of individuals and households; and management of rice land and especially land collection methods for the development of socio-economy of localities.

Also in the frame for a revamp included are taxation policies on agricultural land provided to households and enterprises that are left unused, as well as how to harmonise the rights between foreign enterprises and the government, while avoiding the impacts to the country's security but ensuring a solid investment environment for overseas investors.

## Corporate News

### 8. DWG: Digiworld aims to reach billion-dollar market cap target

↑ 1.70%

Two months ago, Digiworld's executive told securities firms that a partner producing and assembling Xiaomi tech products is opening a plant in Vietnam's northern port city Haiphong, and that the plant would commence operation in the second half of this year.

In fact, Digiworld is the exclusive distributor of all Xiaomi products in the Vietnamese market. According to Viet, home appliances would be one of the key segments of Digiworld by 2024 with the target of holding a "remarkable market share", in which TV sets would secure the largest share in value.

The home appliances market, with the main items being TV sets, refrigerators, washing machines, ovens, and the like, has been totally untouched by Digiworld until the present. Viet explained that the overly high import duty of about 15 per cent was the reason why Digiworld had yet to engage in importing products for distribution and wholesale in the Vietnamese market.

At the recent AGM, CEO Viet also lifted the curtain on Digiworld's intention to venture into other product segments to realise the target of reaching a market cap in the billion-dollar range.

"If there was a plant assembling Xiaomi products in Vietnam, the tariff barrier would disappear, providing the bedrock for us to break into this up-and-coming segment. This will be the answer for the question how Digiworld would attain an annual growth pace averaging 25 per cent in the upcoming decade," said Viet.

On the sidelines of Digiworld's annual general meeting (AGM), Viet said that the company will be making an official foray into the home appliance wholesale market late this year or early next year. Hence, this new segment will make no contributions to the company's revenue and post-tax profit targets which have been set at VND15.2 trillion (\$660.87 million) and VND300 billion (\$13 million) for 2021.

"Digiworld is the exclusive distributor of Xiaomi and Huawei products in Vietnam. If we succeed in grabbing about 5-10 per cent market share of the TV market, which is now valued at about VND40 trillion (\$1.74 billion), that would be remarkable. For the time being, we are distributing Xiaomi items in this segment," said Viet.

The Chinese TV market is dominated by Xiaomi. In Vietnam, the TV market belongs to three top players – Samsung, Sony, and LG.

Accordingly, mergers and acquisitions (M&A) deals through acquiring firms possessing distribution channels which Digiworld doesn't have is the tactic helping the company to realise its 25 per cent annual growth target.

Last year, consumer goods fetched Digiworld VND265 billion (\$11.5 million), only 2 per cent of the company's total revenue, fulfilling only 53 per cent of the projection. The reason for this disappointing performance is "giving priority to finding new products as well as engaging in M&A".

Digiworld's putting investment into pawnshop chain Vietmoney is an example. The company has been using Vietmoney's outlets as a lever to stimulate business activities. Accordingly, in September 2020, Vietmoney announced wrapping up its Series A funding round from Digiworld Venture and Finnish equity fund Probus Opportunities.

These two partners were reported to co-manage a 30 per cent stake in Vietmoney and have seats at Vietmoney's Board of Management. According to Digiworld's report, the partners have put VND50.5 billion (\$2.2 million) to possess a 21.86 per cent stake in Vietmoney.

"To grow into a billion-dollar company, we are seeking growth across the board, from consumer goods to supplementing new brands, customers, and sales channels. We are also constantly searching for new models towards realising the

target of shaping a complete consumer ecosystem,” said Nguyen Hai Khoi, Digiworld's investment director.

Statistics by fintech firm FiinGroup show that around 48 per cent of the Vietnamese population have low income of below \$300 per month, a potential segment for consumer lending firms.

## 9. VIC: Vingroup to officially launch the region's leading "Sleepless City" model

↓ -0.50%

With a total investment of more than VND66 trillion (US\$2.8 billion), the Phu Quoc United Centre is developed under the "all-in-one" model. It includes a system of hotel brands from Mini Hotel to 5-star brands such as Vinpearl, VinOasis, VinHoliday and Radisson Blue, with more than 10,000 rooms. It also has VinWonders Phu Quoc – the largest theme park in Viet Nam; Vinpearl Safari – one of the largest semi-wild animal conservation parks in Asia; the 18-hole Vinpearl Golf Course; Corona 5-star Casino, Grand World sleepless shopping and entertainment city and Vinmec Hospital.

Of which, Grand World - “the Sleepless City” is an unrivalled experience only available at Phu Quoc United Center. With an area of 85 hectares and a central location, Grand World has splendid and magnificent architecture, busy and trendy commercial streets, exciting festivals and parties in addition to bustling entertainment centres of Venice, Shanghai, Night Market, K street and Viet Nam. All are open non-stop 24 hours a day and 365 days a year for a bustling atmosphere and dynamic festival space like the famous sleepless cities of the world.

Only in Grand World Phu Quoc will visitors have the opportunity to enjoy the ultimate entertainment technology with the most magnificent multimedia scene show named "The Elite of Viet Nam", discover the largest Bamboo Legend in the country made from 32,000 bamboo top and visit the Teddy Bear museum - a destination that attracts millions of young tourists. Visitors can also travel on the magnificent Venice-modelled canal, see the ancient Venice Clock Tower and immerse themselves in the 19,500m<sup>2</sup>-wide Marine Square or admire the unique contemporary artworks at Urban Park.

Besides iconic check-in spots, Grand World is also a city of colourful parties and festivals, from local festivals such as Nghinh Ong Festival, Nguyen

Trung Truc Festival, Boat Racing Festival to vibrant carnivals from Thailand, India, the US, Germany and Mexico.

This is also the only place in Viet Nam where visitors can spend all night at the first 5-star casino open to Vietnamese people. With 1,000 slot machines and 100 game tables and integrated with a 600-seat theatre - Corona Casino is comparable to famous casinos in the world.

Another important component of Phu Quoc United Center is Vinpearl Safari Phu Quoc, the largest semi-wild animal conservation park in Southeast Asia. As the home for more than 4,000 animals from nearly 200 species in all geo-biological regions of the world and the unique "free animals, captive people" model, Vinpearl Safari Phu Quoc has become a "must-visit destination" on Phu Quoc's tourist map since opening in 2015 with animal welfare conditions rated as the best in the region and approach to world standards by the South East Asian Zoos Association (SEAZA).

Meeting diverse accommodation needs for a new “international destination”, Phu Quoc United Center has a system of hotel brands from Mini Hotel to 5-star hotel brands such as Vinpearl, VinOasis, VinHoliday and Radisson Blue, with more than 10,000 rooms. In addition, the super complex also has a 5-star Meeting Incentive Conference Event (MICE) system - Vinpearl Convention Center; the 18-hole Vinpearl Golf course; Vinmec International Hospital and the Vinschool Inter-level School in the near future.

“Phu Quoc United Center” will not be merely an entertainment complex but a top resort - business - investment luxury product in Viet Nam. Particularly, the "Sleepless City" model in Phu Quoc United Center not only lays the foundation for the night-time economic development of Viet Nam but also marks a step forward, turning Viet Nam into a new international destination on the world tourist map.

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