



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. VN-Index bounces back on large-cap stocks on Apr 27

Shares ended mixed on Tuesday, with the market benchmark reversing course on large-cap stocks as domestic and foreign investors flocked back.

The VN-Index edged higher yesterday, up 3.98 points, or 0.33 per cent, to 1,219.75 points. The index lost slightly in the morning trade.

However, the market breadth was still negative with 221 stocks declining while 190 rose.

The market liquidity was high as domestic investors poured in nearly VND15.5 trillion, equivalent to a trading volume of nearly 618.2 million shares.

In a daily report to customers, Bao Viet Securities Company expected that the VN-Index might recover when it falls back to test the support territory of around 1,200 points in the few next sessions.

"Rising selling pressure as long holidays are coming, as well as portfolios' restructuring of investments funds are factors affecting the remaining sessions of the week," the company added.

The recovery of the index was due to gains from large-cap stocks. The VN30-Index, tracking the 30 biggest stocks on HoSE, climbed 0.69 per cent to 1,283.81 points. Fourteen of the 30 large-cap stocks in the VN30 basket jumped while thirteen slid.

Big stocks from banking, materials and real estate sectors rebounded yesterday with real estate stocks leading the gains.

Accordingly, No Va Land Investment Group Corporation (Novaland, NVL) still posted the biggest gain in market capitalisation, up 6.21 per cent.

Followed by Hoa Phat Group (HPG), Masan Group (MSN) and Vingroup JSC (VIC), rose by 2.18 per cent, 3.16 per cent and 0.46 per cent, respectively.

Asia Commercial Bank (ACB), Sacombank (STB) and HDBank (HDB) also posted gains of more than 1 per cent.

Losses of some big stocks like Viet Nam National Petroleum Group (PLX), Vincom Retail JSC (VRE) and Vietnam Rubber Group JSC (VRG) weighed on the market. These stocks all decreased more than 1 per cent.

Meanwhile, on the Ha Noi Stock Market (HNX), the HNX-Index fell 0.04 per cent to 280.56 points with the HNX30-Index also witnessing losses of 0.03 per cent.

During the session, nearly 102.4 million shares were traded, worth over VND1.7 trillion.

Foreign investors came back strongly yesterday as they poured VND406.76 billion into HoSE. They also net bought a value of VND6.87 billion on the northern bourse

## Macro & Policies

### 2. Aquaculture farmers encounter several difficulties: MARD

According to the report of the Vietnam Directorate of Fisheries, in 2020, due to the impact of the Covid-19 pandemic, import and export activities were interrupted, major importing countries were closed, shipping was stagnant, and some orders were canceled or delayed the delivery time. Severe saltwater intrusion and drought in the Mekong Delta and extreme weather had made farmers and export processing enterprises encounter many difficulties.

Meanwhile, aquaculture activities in Vietnam are still on a rising trend. Last year, the total aquaculture production reached 4.56 million tons, an increase of 1.5 percent. Specifically, the output of pangasius fish touched 1.56 million tons, as high as the same period last year. Export turnover of pangasius fish of the whole year hit US\$1.5 billion, accounting for 18 percent of the total export turnover. The output of brackish water shrimp reached 950,000 tons, with export turnover hitting \$3.7 billion, accounting for 44 percent of total export turnover.

The marine farming area was 260,000 hectares and 7.5 million cubic meters of cages with a total production of 600,000 tons. Of which, marine fish were 8,700 hectares and 3.8 million cubic meters of cages, with an output of 38,000 tons; mollusks were 54,500 hectares with an output of 375,000 tons; lobsters were 3.7 million cubic meters of cages, with an output of 2,100 tons; seaweed was 10,150 hectares, with an output of 120,000 tons; the rest was marine crabs and other species.

Currently, aquaculture farmers are facing many difficulties. Specifically, the Covid-19 pandemic prolongs for a long time and has had a profound impact on life and global commercial activities. Export activities were interrupted due to border closures, several fast-food restaurants in major importing countries were closed, shipping was stagnant, some orders were canceled or delayed the delivery time, some customers refused to fulfill new orders, and there was a temporary shortage of labor.

Moreover, the supply of raw materials for aquatic feed was seriously affected, the price of raw

materials for aquatic feed escalated continuously, causing production costs to climb, reducing the competitiveness of products.

The weather was complicated and unusual, and severe and prolonged saltwater intrusion and drought in the Mekong Delta make aquatic products susceptible to disease. The rate of loss is high, affecting aquaculture production.

To resolve difficulties for aquaculture, the Vietnam Directorate of Fisheries proposed to promote linkages in production to access the supply of high-quality and affordable input materials, promote scientific application, increase productivity, reduce costs, reduce feed conversion ratio (FCR), and protect the environment in aquaculture.

Authorities should continue to strictly control the quality of aquatic breeds and materials, organize delegations to inspect and check facilities that produce breeds, aquatic feed, and products for the treatment and improvement of the environment used in aquaculture and strictly handle violations.

The MARD also determined again the plan target for this year, keeping the aquaculture area stable at 1.3 million hectares. Of which, the freshwater farming area is 450,000 hectares, with pangasius fish accounting for 5,700 hectares, the marine and brackish water aquaculture area is 850,000 hectares. Of which, brackish shrimp is 740,000 hectares, with 630,000 hectares for black tiger shrimps and 110,000 hectares for white-leg shrimps.

Aquaculture output is expected to reach 4.75 million tons, equal to 104.2 percent of that in 2020. Of which, production of pangasius fish will be 1.55 million tons; production of shrimp of all kinds will be 980,000 tons, including 280,000 tons of black tiger shrimp, 633,000 tons of white-leg shrimps, and the rest of other types of shrimps; the rest is the production of other aquatic products, such as tilapia fish and marine fish.

### 3. Vietnam electronics exports dependent on foreign firms

While electronics make up a significant proportion in Vietnam's total exports, up to 95% of the turnover of such products are in the hands of foreign-invested enterprises.

The Department of Industry under the Ministry of Industry and Trade (MoIT) revealed the information in its report assessing Vietnam's trade performance for the 2010-2019 period.

In the first three months of the year, foreign firms accounted for 99% of export revenue for phones and parts, and 98% for electronics, computers and associated components.

The report attributed such issue to the low localization rate in the electronics sector at 5-10%.

“The majority of electronic products in Vietnam are mainly imported or assembled domestically from parts made abroad,” stated the report.

While local enterprises in the supporting industries for electronics have gradually integrated into the sector's value chain, they still mainly provide products with low technological contents and value, it added.

Meanwhile, major domestic electronic manufacturers only account for a small market share and are losing their brands.

“A number of local electronics brands have emerged, including BPhone, Vsmart or Viettel, but foreign peers continue to dominate the market,” stated the report.

Given the limited capabilities of domestic firms, product quality and appearance still fall short of market demands, while the linkage between local suppliers and multinationals in Vietnam remain weak, it added.

#### 4. Danang parades investing advantages

According to the latest figures from the Provincial Competitiveness Index (PCI) 2020 offered by the Vietnam Chamber of Commerce and Industry, Danang sits among the top five cities and provinces with a “very good” quality of economic management at 70.12 points.

Nevertheless, the report noted local enterprises have shown strong efforts in enhancing their competitiveness and join foreign firms' supply chains. For example, the number of Vietnamese companies qualified as Tier-1 suppliers for Samsung rose from four to 35 in four years. Four local firms are participating in the supply chains of Panasonic Vietnam, accounting for 10% of input materials, while Canon Vietnam is still actively seeking new suppliers to raise the localization rate.

To further support local electronics industry, the Department of Industry called for greater protection measures for the consumer electronics market against trade fraud, fake and smuggled goods; finalize legal framework for production and distribution of made-in-Vietnam products.

“Supporting policies are needed for potential domestic firms in electronics sector to become industry-leaders, especially in consumer electronic products,” the agency suggested.

“Local enterprises need to enhance competitiveness to ensure greater integration into global supply chains and better taking advantage of free trade agreements that the country is a part of, including the EVFTA,” it said.

In the 2010-2019 period, the export growth of Vietnam's electronics averaged over 50%, with the turnover of US\$87 billion in 2019. This puts Vietnam as world's 12th largest exporter of electronic products and the third in ASEAN.

Electronics was among a handful of sectors posting export turnover of over US\$5 billion in the January-March period. Upon breaking down, exports of phones and parts rose by 9% year-on-year to US\$14.1 billion, or 18% of total exports, while electronics, computers and associated parts surged by 31% to US\$12 billion.

This is the third consecutive year that Danang has been in the top five of the PCI. Among ten sub-indices of the index, Danang placed itself in four top-ten indices – third place for sound labour training policies (7.87 points); fourth for low entry costs for start-ups (8.75 points); seventh for easy access to

land and security of business premises (7.35 points); and eighth for limited time requirements for bureaucratic procedures and inspections (8.62 points).

### Fruitful results

Over 16 years after joining the PCI survey, Danang has topped the list on seven occasions, as well as three years at second rank and four years in fifth place. The statistics show that Danang is maintaining its attractive investment environment, with efforts helping the coastal city achieve fruitful results and attract a large number of prestigious investors and entrepreneurs from both inside and outside the country.

According to Danang Department of Planning and Investment, over the last four years the central city attracted 163 local projects with the total registered capital of \$3.3 billion, and 530 newly-licensed foreign direct investment (FDI) projects with the total registered capital of more than \$1 billion. The investment and production operation of domestic and foreign-invested enterprises contribute an average of over 9 per cent to the added value of the city's economy and creates jobs for more than 93,100 labourers.

Additionally, these investment projects help effectively brand Danang as an ideal investment destination and promote the city in international integration and cooperation in many other fields.

In the first quarter of 2021, Danang decided to approve an investment research policy and registered licences for two domestic projects outside industrial zones with the total investment capital of \$13.9 million and three other projects in industrial and high-tech parks. Moreover, Danang has issued investment certificates for nine newly-registered FDI projects with the total registered capital of \$146.4 million, of which five increased their investment capital by \$9.4 million.

Nguyen Trung Chinh, chairman of CMC Group, said that Danang owns various potentialities and has a vibrant and attractive investment environment to meet the demand of the business community. The group is developing its CMC Creative Space complex in the city with the total investment of VND12 trillion (\$521.7 million) and targets to build up the city into an international digital hub following the national strategy. “Danang has an important

position with favourable conditions to become a hub of the region, so we have invested in developing our Creative Space complex following this approach,” said Chinh.

### Facing the reality

The fruitful results from investment attraction of the central coast city come from the efforts of the city's administrative system to improve the investment environment towards creating the best services for entrepreneurs. The city's authorities have issued 14 legal documents related to investment support policies and mechanisms, as well as revised and upgraded outdated ones.

The city also completed the adjusted master plan for the city to 2030 with vision to 2045; thus enabling the setup of eco-friendly industrial parks (IPs) and investments in the IT Park in Hoa Vang district and other structures.

The city meanwhile announced 31 sets of administrative procedures for the local authorities related to business and investment activities and reviewed more than 100 administrative procedures to help organisations, entrepreneurs, and individuals cut costs and time.

Danang also diversified its investment promotion channels in strategic and targeted markets while its leaderships enhanced promotion activities and campaigns inside and outside the country, where they worked directly with investors and businesses to resolve their requests and obstacles.

However, the city's investment attraction mission still faces shortcomings. Most domestic projects invest in real estate like hotels and resorts while investments in industrial and high-tech sectors count for merely 10 per cent. Meanwhile, FDI attraction from large-scale transnational corporations is still limited, and most projects have small- and super-small registered capitals.

Realising its shortages and current results, Danang has proposed a series of solutions to maintain investors' confidence. The city will focus on six main solutions to improve its investment environment, such as issuing adjustments of its master plan for land use, approving the subdivision plans, and define types of projects needed to attract investment and create dynamism for the city's development.

Meanwhile, the city continuously pushes the speed of schemes like the Masterplan to Develop High-tech Parks, the Experimental Enhancement of Innovation and High-tech Startups, and High-quality Human Resources Development.

To solve its infrastructure problems, Danang is investing in developing its transportation and logistics systems. The city is also enhancing the selection of investors to complete infrastructure and put certain projects into operation, such as Hoa Cam, Hoa Nhon, and Hoa Ninh IPs. The city's authorities will also concentrate on solving all these obstacles of high-tech parks to construct the second phase of Danang IT Park.

In its administrative renovation, the city is continuing to shorten processes related to investment procedures while completing its digitalisation scheme.

According to Nguyen Van Quang, Secretary of Danang Party Committee, the city recognises its

shortcomings to improve its investment environment. "Danang's leadership will try its best to listen to the response of businesses on what issues they are facing, from obstacles of administrative procedures to negative behaviours of officials during their operation in the city," Quang said.

"Danang has a lot of potential and advantages for businesses so we commit to creating competitive conditions to attract investors," Quang explained. "The city is determined to complete its logistics system, upgrade the international airport, build a cargo terminal at the airport, and increase the capacity of Tien Sa Port, among others."

"We always try to stay transparent, consistent, and committed in calling for investment, especially in land mechanisms and policies, while shortening the administrative documents and procedures for businesses," stressed Quang.

## 5. Newly-registered FDI capital in first four months up 25 per cent on-year

The total newly-registered and added capital, as well as capital contributions and share purchases in the first four months of the year amounted to \$12.25 billion (as of April 20), equalling 99.3 per cent on-year, according to the Ministry of Planning and Investment's Foreign Investment Agency.

Of these, 451 projects (down 54.2 per cent on-year) received a new investment certificate, with the total registered capital of nearly \$8.5 billion (up 24.7 per cent on-year).

263 projects (down 21.5 per cent) asked to adjust capital with a total of over \$2.7 billion (down 10.6 per cent on-year). "Because in April last year, there was a huge influx of capital expansion when Long Son Petrochemical Complex received \$1.38 billion added capital," explained a representative of the Foreign Investment Agency.

"The scale of both newly- and additionally-registered projects has increased remarkably since last year, from \$6.9 million in 2020 to \$18.7 million per new project this year, and from \$9.2 million per adjusted project in 2020 to \$10.4 million this year," the representative added.

Additionally, capital contributions and share purchases also reported an on-year decrease in the first four months with 1,151 instances (down 64.1 per cent) and a total investment of \$1 billion (down 57.8 per cent).

In the first four months, Singapore led among the 67 countries and territories investing in Vietnam with a total investment of \$4.8 billion, making up 39.6 per cent of the total investment. Japan ranked second with a total investment of \$2.5 billion (20.5 per cent) while South Korea ranked third with \$1.5 billion (12.1 per cent), followed by China, Hong Kong, and the US.

As of April 20, 2021, foreign-invested projects have disbursed \$5.5 billion, a rise of 6.8 per cent on-year, which reflects that the FDI sector has recovered well after the pandemic.

The export turnover of the sector increased sharply during the period, reaching \$80.6 billion, up 38.7 per cent on-year including crude oil, and \$80.1 billion excluding crude oil, up 38.7 and 39.2 per cent on-year, respectively, equivalent to around 78 per cent of the country's total export turnover.

The import turnover of the FDI sector is estimated at \$66.2 billion, up 32.8 per cent on-year, and capturing 65.2 per cent of the country's total import turnover. In the first four months, the trade surplus of the sector is estimated at \$14.4 billion (including

crude oil), and \$13.9 billion (excluding crude oil). This has offset the trade deficit of \$12.5 billion of local businesses, resulting in an overall trade surplus of \$1.9 billion.

## 6. Health-tech startup bags \$1 mln seed funding

Singapore-based venture capitalist Huat Ventures and biotech entrepreneur David Ma also participated in the round.

Founded in January 2020, Docosan is an application connecting doctors and patients nationwide. The app enables patients to compare healthcare providers, book appointments, chat with healthcare assistants and manage health data for free.

It has recently added an online payment feature and plans to launch tele-health and pharmacy services.

According to its co-founder and CEO Beth Ann Lopez, people in Vietnam who use private healthcare providers have to "choose between over 30,000 private hospitals and clinics with huge variations in price and quality. This is why people use word of mouth recommendations from their families and friends to choose a healthcare provider. Then they show up at a hospital or clinic and wait in line, sometimes for hours."

Instead, Docosan allows its users to filter medical providers with criteria like location and specialty, besides checking prices and verified customer reviews.

It claims to have helped 50,000 patients in Vietnam book appointments with doctors in 35 different fields.

Healthcare providers connected to the app get software assistance in managing bookings.

"Docosan's medical booking app provides doctors with an easier way to manage appointments and prevent crowded waiting rooms, which people are increasingly wary of amid the pandemic," Lopez said.

Lopez, an American with a Masters in Public Health from Harvard, came to Southeast Asia in 2012 to work as a community health worker. In 2017, she worked for a Singapore-based pharma tech startup called mClinica and had the chance to go to Vietnam.

It was then she realized that booking an appointment with doctors was not a frequent practice in the country.

Vietnam has other health-tech startups that provide similar services, including eDoctor, BookingCare, and Jio Health.

## 7. Binh Duong works hard on infrastructure development, administrative reform

The southern province of Binh Duong will concentrate on promoting infrastructure development and administrative reform, which are considered as two key pillars in creating breakthroughs in socio-economic development.

Addressing a meeting of the provincial 11th Party Committee, Secretary of the provincial Party Committee Tran Van Nam said Binh Duong has basically completed the dual goals of COVID-19 prevention and socio-economic recovery and development.

The province's industrial production index in the first quarter of 2021 was estimated to have increased 6.9 percent year-on-year. Some 255 new businesses were also established.

Its export turnover stood at 7.7 billion USD, while its import value was 5.6 billion, up 30.4 percent and 20 percent compared to the same period last year, respectively, resulting in a trade surplus of nearly 2.1 billion USD.

As of March 31, Binh Duong had attracted nearly 30.8 trillion VND (1.34 billion USD) in domestic investment and 468 million USD in foreign direct investment, increases of 50 percent and 59 percent year-on-year, respectively.

Nam said the province will continue to accelerate site clearance and compensation and roll out

specific measures to remove difficulties facing the locality in compiling planning for land use and urban and smart city development.

It will also work on speeding up the construction of roads and overpasses and tightening the management of the real estate sector, he added.



## Corporate News

### 8. CTD: Cotecons diversifies as competition in construction hits profit margins

↓ -2.50%

At its annual general meeting on Monday Bolat Duisenov, its chairman, said: "Ninety nine percent of the company's business is closely related to civil and industrial construction. As a result, our business depends a lot on ups and downs in the real estate market. [Such] dependence will slow down our growth."

Phan Duy Huu Quoc, deputy general director, too warned that dependence on a single business field could cost Cotecons its industry leadership.

He pointed to the fierce competition in civil and industrial construction, which has dragged profit margins down to an undesirable 3-5 percent.

Besides, the management saw enormous opportunities for the company outside the construction industry, he said. "We have worked with customers who have already demanded our diversification."

Cotecons set sales and after-tax profits of VND17.4 trillion and VND340 billion for 2021, representing increases of 20 percent and 2 percent from last year.

### 9. VJC: Traveling with Vietjet and getting fully protected with "Fly Safe" insurance

↓ -0.24%

Vietjet and HD Insurance offers the "Fly Safe" insurance free for all passengers flying on its domestic flights from April 23, 2021.

With the insurance, each passenger is entitled to a 24-hour accident insurance benefit of up to 20 million VND together with medical expenses for medical treatment for the accident. At the same time, passengers traveling with Vietjet will be entitled to an insurance benefit to support living expenses and loss of income due to mandatory quarantine by the COVID-19 pandemic with the rate of 1 million VND per day of quarantine due to suspicion or having to treatment due to the pandemic because of the epidemiological itinerary traveling on Vietjet flights according to regulations of the authorities.

This is the pioneering programme of "joining hands" between insurance and aviation to fight against the pandemic. With the insurance premiums of up to tens of billion dong, the new-age carrier Vietjet brings the peace of mind to customers. Vietjet is the airline has been certified with the seven-stars rating for COVID-19 compliance.

To be eligible for insurance coverage, passengers need to provide all information in accordance with Vietjet's "Terms and conditions" when purchasing tickets and using aviation services; and comply with all regulations on disease prevention and control of IATA, WHO, the Ministry of Health, authorities and Vietjet.

Don't forget to fully comply with the mandatory health declaration via <https://tokhaiyte.vn>, save and show the information upon checking in at airports as well as wearing face masks during your flight to protect yourself and your community.

The new-age carrier Vietjet has not only revolutionised the aviation industry in Vietnam but also been a pioneering airline across the region and around the world. With a focus on cost management ability, effective operations and performance, Vietjet offers flying opportunities with cost-saving and flexible fares as well as diversified services to meet customers' demands.

Vietjet is a fully-fledged member of International Air Transport Association (IATA) with the IATA Operational Safety Audit (IOSA) certificate. As Vietnam's largest private carrier, the airline was awarded the highest ranking for safety with 7 stars in 2018 and 2019 by the world's only safety and

product rating website [airlineratings.com](http://airlineratings.com) and listed as one of the world's 50 best airlines for healthy financing and operations by Airfinance Journal in 2018 and 2019. The airline has also been

named as Best Low-Cost Carrier by renowned organizations such as Skytrax, CAPA, Airline Ratings, and many others.

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