VIETNAM DAILY NEWS

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Market Analysis

1. Share to keep positive trend on rising liquidity

Shares are expected to move positively this week on significant growth of both scores and liquidity, brokerages said.

On the Ho Chi Minh Stock Exchange, the VN-Index increased 1.27 per cent to close Friday at 1,310.05 points, expanding the weekly gain to 3.3 per cent.

An average of 523 million shares were traded on the southern exchange during each session last week, worth VND17 trillion (US$738.6 million).

"The VN-Index exceeded the 1,300-point mark last Friday with an increase in liquidity," said experts from BOS Securities Joint Stock Company (BOS).

"Technical indicators all show the possibility that the market will continue to gain in the coming sessions. Most likely, VN-Index will maintain its uptrend and head to the area of 1,330 points next week," they said.

"Cash inflow was strong and market breadth was also positive. Liquidity reached the highest level in the past three weeks. Foreign investors had returned to be net buyers with a total value of nearly VND500 billion in the week," MBS said.

An expert from Saigon-Hanoi Securities Joint Stock Company (SHS) said this week, the market would likely enter a struggling phase when the profit-taking pressure increases in the resistance area of 1,300-1,350 points.

Construction materials stocks gained the most last week. Pillar stocks in this group increased strongly such as Hoa Phat Group (HPG), up 3.3 per cent, Hoa Sen Group (HSG), up 6.7 per cent, and Nam Kim Group (NKG), up 7 per cent.

They were followed by information technology stocks, with gainers such as FPT Corporation (FPT), up 3.9 per cent, and CMC Telecom (CMG) up 18.2 per cent.

Bank stocks also performed well with notable gainers of Vietcombank (VCB), rising 1 per cent, Bank for Investment and Development of Vietnam (BID) gaining 2.2 per cent, Techcombank (TCB) rising 3.2 per cent, Military Bank (MBB) gaining 4.1 per cent, VPBank (VPB) climbing 4.3 per cent, Saigon-Hanoi bank (SHB) up 5.3 per cent, Vietinbank (CTG) up 5.8 per cent and Asia Commercial Bank (ACB) increasing by 9.5 per cent.

The remaining groups all had positive growth such as industrial, oil and gas, consumer services, finance, community utilities, pharmaceutical and medical services.

In the first six months of 2021, the stock market made impressive growth with the VN-Index being the world's strongest rising index with 15.8 per cent.

The steep decline of the local stock market as the coronavirus ravaged economies lured many new punters to the market.

The number of newly opened trading accounts in six months reached 619,911 accounts, an increase of 58 per cent compared to the number of 2020. According to the Vietnam Securities Depository Center, June witnessed an unprecedented large number of 140,054 new personal accounts.

According to VSD, by the end of June, there were 3.4 million securities accounts of individual investors opened.

"The index is expected to gain but there will still be a strong divergence among stocks. The index needs to break through the 1,296-1,305 resistance zone to challenge the 1,350-1,380 resistance zone in the short term," said Bao Viet Securities Co.

"Banking, securities and steel stocks may slowly recover and accumulate to create a new short-term base. Capital flow will focus more on mid-cap and small-cap stocks in industries such as real estate, seaports and exports," it said.

"Investors should increase the proportion of stocks in the portfolio to 40-50 per cent. They may consider increasing short-term positions during fluctuations and corrections in the coming sessions," it said.

Macro & Policies

2. Industrial real estate: Narrow internal-external distance

In the first half of 2021, industrial real estate saw steady growth as foreign investors keep increasing local land funds, despite no less than two waves of COVID-19 hitting industrial parks (IPs) in the first half.

These foreign investors include several big names such as multi-functional real estate developer Frasers Property Vietnam which has just announced its first IP project in Vietnam named Binh Duong IP. This IP will bring more than 200,000 square metres of factory space to the market over the next 6-7 years.

ESR Cayman Limited (Hong Kong) and BW Industrial Development JSC have also recently established a joint venture (JV) to develop a modern IP named My Phuoc 4 IP in the north of Ho Chi Minh City, with an area of about 240,000sq.m intended for logistics and light industry.

In a similar move, after setting up a JV for modern logistics real estate for Vietnam last October, SEA Logistic Partners and GLP – the largest warehouse operation investment and management corporation in China – is also actively gathering land for their future plans in Vietnam. By the end of this May, this JV closed deals for five industrial land projects with a total area of nearly 700,000sq.m situated in strategic locations in Ho Chi Minh City, Hanoi, and Haiphong City (Nam Dinh Vu IP – Sao Do Group).

Jeffrey Shen and Stuart Gibson, co-founders and co-CEOs of ESR, commented: “Vietnam's industrial real estate and logistics real estate are in an 'adolescent age'. It is one of the most promising markets in Southeast Asia, benefiting from a range of favourable macroeconomic factors, including high and stable GDP growth, rising income levels, emergence of the middle class, rapid urbanisation, and infrastructure development.”

Domestic investors not “stuck in place”

Pham Van Nam, an expert in industrial real estate research at the Vietnam Industrial Parks Portal, shared that Vietnam's industrial real estate market is still at a nascent stage.

Specifically, the general level of competence of domestic industrial real estate developers is quite low. With the exception of a few, after 20 years, most industrial real estate developers are of a small scale and limited capabilities, with a lack of vision and strategy.

A number of developers only focus on convenient location in their land funds. However, due to their limited capabilities, implementation work is fragmented, leading to long years of delays and wasting land resources.

Nguyen Hong Van, Hanoi market director at JLL Vietnam shared that for a long time, many domestic investors possessing a large land bank and good location were only interested in developing traditional products, that is, selling/renting land. But as the industrial real estate market reaches a new level of development, ready-built factories are becoming a trend to serve the demands for small- and medium-sized investors, especially satellite companies of multinational corporations looking to shift production. Several investors exploring the market also need to rent factories before making long-term investment decisions.

Meanwhile, Nguyen Thanh Phuong, general director of Sao Do Group, the owner of Nam Dinh Vu IP in Haiphong city said: "Currently, the traditional warehouse system in Vietnam is quite messy, operating at a suboptimal level. Besides that, there is a shortage of international-standard warehouses that can meet the stringent requirements of large manufacturers, while products have not been tailored to the needs of investors.”

According to Phuong, in order to close the gap with foreign investors, domestic ones need to design and "pack" products that are suitable for tenants. In particular, the development of ready-built factories is indispensable in this period.

In fact, Sao Do Group has been cooperating with a professional corporation specialised in the development and operation of ready-built factories named BW to set up this product line at Nam Dinh Vu IP.

"Moreover, with the aim of better serving investors, from the very beginning, we had oriented Nam Dinh Vu as an IP to have an advantage of a seaport," Phuong added. "Therefore, we reserved 200 hectares to expand the seaport and logistics subzone. This area currently consists of seven container and general cargo berths, bonded warehouse and logistics facilities with infrastructure following modern and synchronous standards, all of which are receiving continuing investment."

"Along with direct and indirect investment arriving through mergers and acquisitions, if domestic investors do not improve themselves, their products, and their management capabilities, they will not receive quality secondary investors. Meanwhile, the government and localities are growing more careful in screening foreign investment inflows. There is always a risk of losing market share to foreign investors," Phuong explained.

Industrial real estate is a golden opportunity now, but it is not always profitable, especially as more enterprises participate in the market, increasing competition. Not only foreign investors also domestic investors shall face this competition.

3. Vietnam expects no trade barrier in export to US: Trade Ministry

The Office of the US Trade Representative (USTR) is not expected to impose trade barriers on Vietnam's exports, according to the Ministry of Industry and Trade (MoIT).

The move came following an agreement reached on July 19 between the US Department of Treasury and the State Bank of Vietnam (SBV) on Vietnam's monetary policy practices.

"Such decision would have a positive impact on bilateral trade cooperation, which in turn contribute to stable and sustainable US-Vietnam relations for mutual benefits," stated the MoIT.

According to the MoIT, Vietnam would stay active in cooperating with the US to address the latter's concern in a comprehensive way to ensure a balanced trade relationship.

The US Department of Treasury on April 17 removed Vietnam, Switzerland, and Taiwan (China) from the list of currency manipulators for the lack of evidence to conclude that the three countries had manipulated their exchange rates for "purposes of preventing effective balance of payments adjustments or gaining unfair competitive advantage in international trade."

SBV's Governor Nguyen Thi Hong in an online meeting with US Secretary of the Treasury Janet L.Yellen on July 19 affirmed Vietnam's exchange rate policy is aimed at stabilizing macro-economic conditions and controlling inflation, instead of pursuing unfair trade gains.

For the first six months of this year, the US is Vietnam's largest export market with a turnover of US$45 billion. Vietnam, meanwhile, has stepped up efforts in purchasing US goods with imports of $7.8 billion for the period, an increase of 11% year-on-year.

4. Seaports face challenging forecast

Shipping giant Vietnam Maritime Corporation (VIMC) last week held its first-half review meeting, with positive developments and potential challenges in the seaport segment being the key points discussed.

CEO Nguyen Canh Tinh told VIR, "Most seaports reported encouraging results, with some having higher business results compared to the same period last year – and some even surpassed the yearly targets."

According to VIMC's statistics, Cai Mep International Terminal (CMIT), and SP-SSA International Terminal (SSIT) have been making profits since late 2020. Between January and June, CMIT reported a six-month profit of $3.25 million, while SSIT made $5.39 million and witnessed a 96.75 per cent on-year rise in revenues.

Moreover, the former's container throughput rose 14.11 per cent, while the latter saw an on-year increase of 300 per cent in container throughput, surpassing the yearly target by nearly 14 per cent.

Located in the Cai Mep-Thi Vai port area of the southern province of Ba Ria-Vung Tau, CMIT has Denmark's APM Terminals as a foreign stakeholder, while SSIT is a joint venture between VIMC and SSA Marine. Meanwhile, SP-PSA – a joint venture between VIMC and Singapore-based PSA, also lying in the Cai Mep-Thi Vai area – handled nearly 2.5 million tonnes of goods during the six-month span, up nearly 33 per cent on-year, and meeting 62.66 per cent of the yearly target.

While SP-PSA failed to attract container throughput, its revenue ascended 25.3 per cent from the same period last year to $5.21 million and fulfilling 61.62 per cent of the yearly target.

In the north, Cai Lan International Container Terminals was estimated to handle 504 twenty-foot equivalent units of container throughput, up 1.36 per cent on-year. Its revenue rose 6.05 per cent to on-year to $6.65 million.

Located in the northeastern province of Quang Ninh, the facility is a joint venture seaport between VIMC and US-based Carrix, the parent company of SSA Marine.

The VIMC leader attributed the positive results to economic rapid recovery in countries, especially China, the EU, and the US, leading to growing demands for consumption of goods and materials.

Moreover, the dry cargo ship market in the first half saw improvements. The Baltic Dry Index hit 3,267 in mid-June, up nearly 3,000 on-year and reaching the highest level since 2016.

What is more, the global container vessel market continues to be bustling, while import-export turnover rose over 30 per cent on-year.

With business improvements of joint-venture seaports, VIMC reported the total volume of goods and commodities via its ports at 67.95 million tonnes during the first half, up 24.5 per cent on-year, and meeting 60 per cent of the yearly target.

Between January and June, Vietnam's total volume of goods through seaports in Vietnam in the first six months of 2021 was estimated at 363 million tonnes, up 7 per cent on-year. Container throughput strongly rose with over nine million tonnes, up 24 per cent, with seaports in the northern port city of Haiphong, Ho Chi Minh City, and Ba Ria-Vung Tau being among the biggest contributors.

Despite the improvements, joint-venture seaports and others are facing barriers to growth. VIMC admitted that the growth rate of seaports remains lower than regional peers. Saigon Port's container market share is just 1.8 per cent of the region; meanwhile, Haiphong port is yet to develop new services.

Among such seaports, SP-PSA is yet to attract container vessels in spite of strong growth of 39 per cent in Ba Ria-Vung Tau, and many others in the Cai Mep-Thi Vai port area operate at full capacity, thus possibly making it hard to attract more goods.

Worse still, IT application at port operations remains slow, failing to meet new trends and lagging behind their rivals like Saigon Newport and Gemadept.

Industry insiders forecast that the shipping market in the second half of 2021 will continue to develop positively as the World Bank, the International Monetary Fund, and the Organisation for Economic Co-operation and Development have raised their economic growth forecasts globally.

In addition, trade by means of the seas in 2021 is also forecast to undergo more positive growth than in the previous year, with containers projected to rise 6 per cent, dry commodities 4 per cent, and oil products at 7 per cent.

5. Vietnam demonstrating foreign funding attraction

Vietnam's GDP grew by 5.64 per cent in the first half of 2021, thanks to strong exports and domestic demand.

In the first half of the year, Vietnam managed to attract circa $15.27 billion of foreign investment, down 2.6 per cent compared to the same period in 2020, according to the country's General Statistics Office.

During the time, more than 800 new foreign-invested projects have been licensed with the total registered capital of $9.55 billion, with Singapore as the largest source of investment, followed by Japan and Hong Kong, and manufacturing and processing as the main sectors targeted.

So far this year, Vietnam has had 460 operational foreign-invested projects raise capital by $4.12 billion in total, up 10.6 per cent.

Ho Chi Minh City came second on the list over the period, with the total registered investment capital of $1.43 billion. Investors are of course facing challenges due to the ongoing coronavirus wave, including border closures and quarantine measures as well as factory shutdowns that affect production and supply chain.

Some companies are trying to adapt their internal management systems to maintain a good level of production and delivery, and in particular by implementing coronavirus tests daily for their employees, and allowing them to access factories and production sites.

Therefore, Vietnam is living uncertain times in terms of foreign direct investment (FDI) expectations for the rest of the year.

In particular, the country is still competing heavily with China in certain production sectors, and the capability of one country or the other to face the demand will also determine the outcome of FDI for 2021.

Fortunately for Vietnam, China is still facing difficulties with overseas trades, into the third year of US trade war tariffs that are remaining in place for most goods under the Biden administration.

Also, the Vietnamese government has adopted measures to support businesses affected by the pandemic, including tax payment delays and helpful policies for employers and employees.

To facilitate a good level of production and competitiveness, measures to adapt to the working environment are needed, such as regular COVID-19 testing and vaccination campaigns.

In this regard, the government has announced a dedicated fund to vaccinate 70 per cent of the Vietnamese population by early 2022.

While still maintaining a good level of production, and adaptability from local authorities and companies, Vietnam is demonstrating that it is still an attractive country to invest in, and in the long term may not be affected by the current wave of COVID-19 as much as other places could be.

In order to maintain a high level of FDI in the coming months, local authorities must take sufficient actions to demonstrate to foreign investors that Ho Chi Minh City will adopt efficient measures to put local factories and companies in a situation where production and supply chains are unaffected.

Breaks in FDI flows come from disruption in these areas. Hence, fighting the pandemic is a priority and Ho Chi Minh City, as well as the entire country, could inspire itself through utilising certain efficient policies from elsewhere, such as Hong Kong, where a good level of testing combined with travel restrictions and vaccination incentives have recently proved to be successful.

Swift surveillance, quarantine, and social distancing measures, such as the use of face masks and school closures, have helped to cut infection transmission. After the crisis, wider adoption of teleworking practices, which could introduce a range of impacts and net effects on productivity, could be a good option.

Public policies and cooperation among social partners are crucial to ensure that new, efficient, and welfare-improving working methods emerging during the crisis are maintained and developed once social distancing is over.

Furthermore, to maximise the gains for productivity and welfare inherent in the use of more widespread teleworking, governments should promote investments in the physical and managerial capacity of businesses and workers to address potential concerns over worker wellbeing and long-term innovation related, in particular, to the excessive downscaling of workspaces.

6. Beer companies struggling under pandemic

Beer giants in difficulty

The year 2020 is said to have been the most difficult year for the beer industry in the last 20 years, due to the impact of three major factors occurring at the same time. The three disasters of the Covid-19 pandemic, Decree 100 or law on prevention of alcohol impact, and natural disasters, all caused a sharp decline in net revenue in 2020 for most beer businesses.

For instance, Saigon Beer-Alcohol-Beverage Corporation (SAB) saw net revenue decrease by 26.2% to VND 27,961 bn. According to SAB, among Fast Moving Consumer Goods (FMCG), beer demand was most negatively affected by the Covid-19 pandemic that lasted for the first three quarters of 2020, decreasing monthly by 3.6%, 22.9%, and 11.9%, respectively. This deeply reduced profits of beer businesses, especially that of SAB, the largest beer company in Vietnam with 26 factories with a total production capacity of about two billion liters per year. Another giant, Hanoi Beer-Alcohol-Beverage Corporation (BHN), also recorded a decrease in revenue of upto VND1,900 bn, down to VND7,514 bn.

The revenue of leading beer giants in the country decreased substantially, which shook these giant beer corporations. For example, Saigon Binh Tay Beer Group Joint Stock Company, one of the large volume processing units for SAB, saw revenues fall suddenly. In 2020, the processing beer output that SAB assigned to Sabibeco after many adjustments to the plan decreased from 218 million liters to 169 million liters. However, the actual delivery volume only reached 88.5% of the plan, equivalent to 70% compared to 2019.

Sabibeco total revenue dropped sharply from VND 2,873 bn to VND 2,008 bn down by 30%, and gross profit margin decreased to only 7%. Although operating costs were reduced, the loss in joint ventures nearly tripled to VND 39 bn, making Sabibeco see a net loss of VND 100 bn. Thus, since the peak of VND 247 bn in 2015, Sabibeco profits plummeted and expected to drop even more after customer No. 1, SAB, returns it to a new owner.

Cost cutting

Since transferring to the Thai owner, SAB has stepped up its policy of cutting business costs. By proactively cutting business costs and increasing selling price of some key products by 2% in the first half of the year, SAB saw profit after tax decrease by only 8.1% to VND 4,937 bn. In addition, SAB was lucky when the price of raw production materials such as barley, aluminium and hops unexpectedly dropped in the fourth quarter of 2020 due to the Covid-19 pandemic across the world.

Positive results in the last quarter of 2020 continued to be maintained until the first quarter of this year with revenue increasing by 19.4% to VND 5,893 bn. With this figure, every day in the first quarter, SAB sales revenue were approximately VND 65 bn. This significant improvement in revenue helped SAB regain its profit growth momentum in the first quarter. Specifically, pre-tax profit in the period reached VND 1,231 bn, up 30% compared to the profit of the same period in 2020 of VND 945 bn. Similarly, BHN revenue also increased sharply by 78% in the first quarter, reaching VND 1,375 bn, and gross profit margin improved from 19% to about 24%. The strong increase in revenue helped BHN record a profit of VND 47.6 bn, while the same period last year it had lost about VND 98 bn.

According to the first quarter report of Kantar World panel, most consumer goods industries recorded negative growth in the first quarter, except beer. The reason is due to the sudden growth of the FMCG market in the first quarter of 2020 due to the psychology of hoarding goods when the pandemic started. The recovery of the beer market lasted until April, helping beer production in the first four months of 2021 reach 341 million liters, up by 37%.

More difficulties

Since the end of April, the fourth wave of Covid-19 pandemic has pushed beer businesses into a much more difficult situation. This is because social distancing measures were implemented on a much larger scale and lasted much longer than last year. The social distancing policy led to stagnation of tourism, hotels, restaurants, discos, and bars. Besides, the impact of the Covid-19 pandemic caused a decrease in worker income and reduced demand for alcohol consumption, thereby making it difficult for profits to grow in the first quarter of the year.

According to Phu Hung Securities Company (PHS), the negative impact of the Covid-19 pandemic has affected people's income and spending needs. Consumer trends have also changed during the pandemic. Accordingly, consumers focus on essential healthy products such as fruit juice or milk instead of alcoholic beverages to increase resistance to dangerous and complicated infections from the pandemic. It is forecast that the beer industry will take about two years to recover to pre-Covid levels.

Strict regulations put pressure on people and revenue and profit of beer companies in 2021 will be affected despite the hot season. In fact, as soon as the fourth wave of the Covid-19 pandemic struck, beer stocks quickly fell due to investors' concerns about consumption volume being negatively affected. For example, SAB price decreased from VND 180,000 per share in April to VND 150,000 per share in May. Compared to the price at the beginning of the year of around VND 190,000 per share, the decrease due to the impact of the pandemic is upto 20%. Similarly, BHN at the beginning of the year was still trading at a price of nearly VND 80,000 per share, but now it has decreased to around VND 50,000 per share.

As of now, although business results of the second quarter have not yet been announced, it is forecast that the revenue of beer enterprises will decrease even further. The decline will be even greater in the third quarter due to the pandemic and the application of Directive 16 across all southern provinces. Although beer companies have built their business plans for 2021 very carefully, their goal of seeing profits rise seem dim if the Covid-19 pandemic continues to disrupt the daily lives of people in general.

7. Exports remain key role in Vietnam's economic growth

Export activities would play a key role for the local economy in years to come, said Chief Economist at the Vietnam Institute for Economic and Policy Research (VEPR) Pham The Anh at the launch of the annual Vietnam economic report 2021 today [July 29].

“The pace of export growth, however, is largely dependent on the recovery of the global economy and the competitiveness of Vietnam's export staples.”

Anh also noted the three growth scenarios for Vietnam this year, with the GDP growth of 4.5-5.1% the most likely one, much lower than the 6% target set by the National Assembly and 1-1.5% percentage points lower than VEPR's previous forecast in the first quarter.

“This scenario is based on the assumption that Vietnam is able to contain the pandemic by the late third quarter, and the quick vaccination roll-out helps the country to achieve herd immunity by the second quarter of 2022,” Anh added.

In a more favorable case when Vietnam could put the pandemic under control in August and the vaccination program is completed by the late first quarter of 2022, the GDP growth could be around 5.4-6.1%.

For the last and worst scenario, the GDP growth could only expand by 3.5-4% as the outbreak persists to the fourth quarter and the vaccination gets delay due to the lack of supplies.

“Overall, the GDP growth in 2021 remains much improved due to the low base last year,” Anh said.

According to the economist, the economic recovery in short term would rely on the vaccination progress, Vietnam's effectiveness in the Covid-19 fight, and the disbursement of support programs.

In this regard, VEPR Director Nguyen Anh Thu suggested the government focus on fighting the pandemic, accelerating the development of locally-made vaccines, and acquiring vaccines from abroad.

Following a positive economic performance with a GRDP growth of 5.91% in the first half of 2021, Hanoi targets economic growth of 7.5% for the whole years as the city continues to pursue the twin goal of both containing the pandemic and boosting economic growth.

Corporate News

8. VPB: VPBank to issue additional shares and increase charter capital to nearly $2 billion

↑ 5.72%

Vietnam Prosperity Joint Stock Commercial Bank (VPBank, HSX: VPB) has just announced the results of shareholders' opinions on the bank's charter capital plan.

The bank's shareholders approved the plan to increase VPBank's charter capital in 2021 by issuing shares to pay dividends, from the bank's investment fund, and the reserve fund to supplement charter capital.

Accordingly, VPBank will issue about 1.97 billion shares to existing shareholders, equivalent to 80 per cent of the bank's outstanding shares. In which, 62.15 per cent of bonus shares are for paying dividends and 17.85 per cent are equity shares.

After successful issuance, VPBank's charter capital will increase to more than VND45.06 trillion (nearly $2 billion). The bank aims to complete all procedures in the third or fourth quarter of this year.

In the first half of 2021, VPBank recorded a consolidated pre-tax profit of more than VND9 trillion ($391 million), up 37.2 per cent over the same period in 2020.

With this result, after several consecutive quarters of improvement, VPBank's return on assets reached 3.3 per cent for the first time, and its return on equity reached 25.7 per cent.

With this, the bank is among the most efficient commercial lenders in Vietnam.

As of June 30, VPBank's consolidated non-performing loan ratio was controlled at 2.94 per cent (as the group), and at the individual commercial bank at 1.73 per cent.

In May, VPBank announced setting its maximum foreign ownership limit at 15 per cent, with plans to make a private placement for a foreign strategic investor.

Previously, Japanese financial giant Sumitomo Mitsui Financial Group (SMFG) acquired 49 per cent stake, equivalent to $1.4 billion, in FE Credit – VPBank's consumer finance arm.

9. PLX: Petrolimex registers to sell another 8 million treasury stocks

↑ 0.59%

Accordingly, Petrolimex registered to sell 8 million treasury stocks from August 6 to September 3. Once the deal is completed, the company's treasury stocks will decline to 17,064,846 from 25,064,846.

In its previous deals, Japanese petroleum company, ENEOS Corporation, successfully bought most of Petrolimex's treasury stocks.

Of which, ENEOS Corporation bought all 13 million treasury shares of Petrolimex sold from August 27 to September 14, 2020 and held 1 per cent of Petrolimex shares.

Then, from March 1 to March 19, 2021, Petrolimex announced that it had sold 25 million treasury shares to ENEOS Corporation with an average trading price of VND57,057 per share, earning more than VND1.4 trillion (US$62.1 million).

From May 24 to June 15, ENEOS Corporation reported that it has completed the purchase of 25 million treasury stocks of Petrolimex.

After these deals, ENEOS Corporation increased its ownership in Petrolimex from 38 million shares (equivalent to 2.94 per cent) to 63 million shares (4.87 per cent) and is on track to become a major shareholder.

Meanwhile, JX Nippon Oil & Energy Vietnam Co., Ltd, now RNEEOS Vietnam Co., Ltd, currently holds 103,528,476 shares, accounting for 8 per cent of Petrolimex shares.

JX Nippon Oil & Energy Vietnam is a subsidiary of ENEOS Corporation and a major shareholder of Petrolimex.

Currently, Toshiya Nakahara, the senior leader at ENEOS Corporation, is also a member of the Board of Directors of Petrolimex.

In the 2020 - 2021 divestment programme, Petrolimex continues to reduce state ownership to 51%.

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