VIETNAM DAILY NEWS

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Market Analysis

1. Bank shares fall in the last trading minutes, VN-Index loses over 4 points

Viet Nam's stock market was mixed on Friday, with the VN-Index ending its long rally on losses of bank stocks in the last trading minutes.

On the Ho Chi Minh Stock Exchange (HoSE), the market benchmark VN-Index closed the last trading day of the week at 1,341.45 points, down 4.1 points, or 0.3 per cent. This marked the first fall of the benchmark since July 26.

In the morning session, the index still maintained its rally, showing demand was still strong with improved liquidity.

The market's breadth was negative with 177 stocks climbing while 200 decreased. However the liquidity was higher as more than VND22.5 trillion (US$978.4 million) was poured into the market, equivalent to a trading volume of nearly 736.2 million shares.

The reversal was driven by losses of a series of bank stocks, which account for a large proportion in the VN30-Index. Accordingly, the 30 biggest stocks tracker VN30-Index posted a decline of 9.67 points, or 0.65 per cent, to 1,476.79 points.

Twenty stocks of the VN30 basket slid, while only eight rose and two ended flat.

Bank stocks led the trend with Vietcombank (VCB) losing the most, down 1.31 per cent.

Other stocks topping the market's influencers were VPBank (VPB), down 1.94 per cent; PetroVietnam Gas JSC (PVGas, GAS), down 1.49 per cent; Viet Nam Rubber Group JSC (GVR), down 1.87 per cent; and Techcombank (TCB), down 1.33 per cent.

Large-cap stocks like Vingroup JSC (VIC), Novaland (NVL), Hoa Phat Group (HPG), MBBank (MBB) and Sacombank (STB) also witnessed big losses in market capitalisation.

Meanwhile, the losses were capped by positive performance of some big names, including Vinhomes JSC (VHM), Becamex (BCM) and Vinamilk (VNM). BCM shares even hit the biggest daily gain of 7 per cent yesterday.

The HNX-Index on the Ha Noi Stock Exchange (HNX), however, stayed unchanged at 325.46 points yesterday, with the breadth still positive.

During the session, 117.9 million shares were traded on the northern market, worth VND4.45 trillion.

The market struggled in recent sessions, showing the clear division among investors. Investors' sentiment was down on rising concerns after Ha Noi authorities have decided to extend the ongoing social distancing order until August 22.

Foreign investors continued to be net buyers, but the net value was much lower than the previous session. Of which, they net bought a value of VND36.12 billion on HoSE, and a value of VND4.28 per cent on HNX.

Macro & Policies

2. Fisheries exports down in July

Fisheries exports declined 4 percent year on year in July after surging 15 percent to earn 4.1 billion USD in the first half of 2021 as the COVID-19 outbreak has forced many seafood processing plants in the south to suspend production, according to the Vietnam Association of Seafood Exporters and Producers (VASEP).

VASEP now has a total of 270 producer members, mostly in the Mekong Delta and south central regions, said General Secretary Truong Dinh Hoe. Just around 30 percent of seafood producers in the south can adopt "three-on-site" model, which involves on-site production, dining and rest, to be permitted to maintain production, he noted.

In those able to keep the production going, the headcount only accounted for 30 – 50 percent of the normal level since the remainders had quitted or taken unpaid leave, causing capacity to shrink 50 – 60 percent, he added.

Tra fish companies are struggling to purchase fresh inputs from farmers, said Truong Thi Le Khanh, Chairwoman of the Vinh Hoan Company, a tra fish producer in the Mekong Delta province of Dong Thap. Tra fish must be collected from different locations to provide inputs for production but travel restrictions have made it very difficult to do, she noted.

The VASEP forecast that export-led production is likely to suffer a 20 – 30 percent lack of inputs in the final months of the year due to a decrease in fishing and fish farming, and inputs for processing and exporting, while financial pressure is on a rise as a result of cancelling orders and costly "three-on-site" model.

The association is proposing the government to prioritise vaccinations for workers at seafood processing factories that are applying the model in order to prevent the risk of mass COVID-19 infections. It said if these workers are vaccinated against the virus, seafood processing plants will be able to sustain production, keep their buyers, and maintain employment for a large number of people.

3. Southern agriculture, husbandry production hits roadblock

Fishery processing companies in the south have seen their production capacity fall by 60-70 percent, while the $9 billion export target for this year could be missed, according to a report by the Ministry of Agriculture and Rural Development.

If the outbreak continues to spread and China tightens frozen fishery imports from ASEAN countries, exports would only hit $8.8 billion at most.

Farmers are reluctant to continue the production of lime, pineapples, chicken and shrimp due to plunging sales caused by mobility restrictions.

Vegetable and fruit exports in the last six months could fall 30 percent year-on-year.

Many meat processing plants have been forced to shut down as they cannot keep workers on-site while most sector staff are unvaccinated.

Factories face many challenges in the remaining months, with the food supply chain possibly broken.

"This would have a major impact on food supply and national food security in the long run," the report stated.

The government needs to provide solutions to support farmers and keep production going, it urged.

Factory workers should all be vaccinated, and short-term loans extended. Factories should receive electricity discounts.

The government should purchase rice to ensure food security, it stressed.

All 19 southern localities including HCMC and 13 southern Mekong Delta provinces have imposed strict social distancing since July 19 to contain the coronavirus.

For decades, the Mekong Delta region has been Vietnam's rice bowl and aquaculture hub, meeting not only the country's food demand but also serving exports.

4. Rice exports hoped to recover after COVID-19 controlled: insiders

Despite a fall in Vietnam's rice exports so far this year, experts held that the situation will be improved once the COVID-19 pandemic is controlled.

Vietnam shipped 3.58 million tonnes of rice abroad, earning 1.94 billion USD in the first seven months of 2021, down 10.6 percent in volume and 0.6 percent in value compared to the same period last year.

According to the Institute of Policy and Strategy for Agriculture and Rural Development under the Ministry of Agriculture and Rural Development, 550,000 tonnes of rice worth 289 million USD were exported in July.

In the first half of 2021, the Philippines was the largest market of Vietnamese rice, accounting for 35.2 percent of Vietnam's total rice exports, equivalent to 1.09 million tonnes worth 579.8 million USD, down 20.6 percent and 8.6 percent year on year, respectively.

In the Jan-June period, the highest rise was seen in the Bangladeshi market with a 142-fold rise, while the sharpest fall was recorded in the Indonesian market with a 60.5 percent drop in export value.

On average, rice prices increased 11.6 percent year on year to 544 USD per tonne, according to the institute.

Do Hoai Nam, Chairman and General Director of Intimex Group, held that it was not a big problem when rice exports reduced. The difficult thing is that domestic firms fail to fulfill orders, he stressed.

Nam explained that complicated developments of the COVID-19 pandemic in southern localities have made it difficult for rice trading, not to mention the "frozen" situation of the entire chain when a COVID-19 case is found in only one factory.

Rice traders are facing obstacles due to social distancing measures, especially in the stage of loading and unloading, causing big problems for exporters, he said.

Meanwhile, Pham Thai Binh, General Director of Trung An Hi-Tech Farming JSC, said that the firm has received orders with a total volume of over 10,000 tonnes. However, due to social distancing measures, two-thirds of its workers have been asked to temporary stay at home, leading to a lack of personnel for operations serving production and export activities.

Many rice exporters are facing the same plight, forcing them to re-negotiate with customers, and even refuse to sign new contracts.

According to the Vietnam Food Association, due to pandemic prevention and control regulations, it is difficult for domestic companies to buy, process and export rice. Meanwhile, the opportunity is high for Vietnam to increase exports as global demand is rising and supplies are reducing, especially from big exporters like India and Thailand.

Nam underlined the significance of promptly controlling COVID-19 as well as the faster vaccination for workers in food producing and processing companies.

5. Pandemic relentless in damaging economy

These social distancing regulations are in place in most major economic zones, industrial production areas, and centers of supply and value chains. This has caused havoc for all economic activities that have now been severely disrupted. This massive onslaught on core and essential businesses has also caused serious macro uncertainties which are only continuously increasing by the day.

Production disrupted

The capital city Hanoi was quick to implement Directive 16 from the Prime Minister last week, in an all-out effort to contain the spread of the virus in all localities. Earlier, nineteen Southern provinces had already implemented strict social distancing measures to curb the disease. Applying even stricter conditions to contain the virus from spreading, Ho Chi Minh City has applied extremely tight measures than even stated in the contents of Directive 16, as cases of infections have been rising at a phenomenal speed and numbers increasing daily. Up until now, in the last nearly two months, Vietnam's largest economic hub was under temporary restrictions on most of the city's economic activities, but now it has become imperative to stop the spread of the disease under all costs.

Compared to one year ago, the social distancing regulations this time are very strict and for a longer duration of time. More importantly, since the Delta variant spreads faster and has unknown ways of spreading, there has been a vast increase in the number of infectious cases, to nearly tens of thousands of cases per day in a week. Moreover, this fourth wave of the Covid-19 pandemic has severely caused immense damage to businesses and manufacturing units in both the major economic centers of the country, namely, Ho Chi Minh City and Hanoi. Earlier, the disease had spread like wild fire in Bac Giang and Bac Ninh, the industrial zones responsible for supplying essential intermediary goods to the value chains and production lines for factories throughout the country.

Ho Chi Minh City is staggering the most under the fourth wave of the pandemic, and as a result almost a third of the national budget has taken a direct hit. The country's main economic hub has slowed drastically, and the present conditions have weakened the economy greatly. If we see public investment, exports and domestic consumption as pillars that support the growth of the economy, the current situation has certainly weakened all these resources substantially.

According to a socio-economic report for the first six months, the Government plan for the second half of the year and the allocation and disbursement of public investment capital is extremely slow. In the first half of the year, only 30% of public investment capital was disbursed as planned, 5% lower than in the same period last year. Similarly, exports have also failed to meet the set targets and the trade balance is moving towards showing a trade deficit.

While many other world markets are recovering strongly, the third quarter growth of the world economy is expected to set a record, showing that export demand is increasing. The current situation shows that Vietnam will find it difficult to meet the demands of domestic production and is facing many difficulties due to limited activities at present as all resources are being mobilized to fight the pandemic. Currently, there are very few businesses that can continue to work under the strict conditions of social distancing rules. This has led to increased costs but low productivity and low economic efficiency, and which will no longer guarantee competitiveness.

Other factors such as domestic consumption and investment of the private sector are also declining sharply due to the spread of the disease, which has created a palpable sense of fear in the entire community. Widespread social distancing is sure to deal a fatal blow to consumption and investment in coming months, and the economic slowdown is quite likely to last throughout the year. More than 60% of GDP of Ho Chi Minh City comes from the services sector, which is now mostly paralyzed because of long and lengthy periods of strict social distancing across most localities.

Under the current scenario, there is also no feasible macro solution to ensure that economic activities are maintained, as most enterprises are relying on the vaccine to bring about a change in the movement of the general population. However, even if this strategy achieves the planned goal by injecting two doses of the vaccine, only 70% of the population will achieve herd immunity by March 2022. Under this estimate, economic prospects are still bleak as the vaccine is not 100% effective. Along with the rate of ineffectiveness, and the number of people who are still to be vaccinated, we see a very large population in waiting. If the infection reoccurs, it will still be as dangerous and will continue to threaten the health system and as a result the economy to will continue to suffer.

This has happened in some countries, despite vaccination rates being very high, and are continuing to deal with situations of re-infections and the possibility of a new outbreak in July, for example in the UK, France and Israel. These countries all have vaccination rates for above 60% of the population. Therefore, only when Covid specific drugs are widely accepted in many countries and mass produced for dissemination of the disease, can the economy return back to a state of normalcy, a situation currently hard to imagine.

Enterprises face fatigue

One of the main reasons that Vietnam achieved remarkable success in 2020 was due to immense fortitude, diversity and flexibility applied by businesses, especially by the private sector. During the last difficult year, it was the accumulated and built up resources over a long period of time that helped businesses overcome the crisis phase, maintain production and business activities, and ensure jobs and an income for employees, while continuing with activities to meet signed contract orders with partners.

However, the ferocity with which the fourth outbreak of the pandemic hit all levels of society has eroded and weakened the resilience of businesses to continue with any innovative means. According to statistics, the number of businesses withdrawing from the market so far has continued to increase, and could be even upto nearly 25%. Businesses temporarily suspending activities increased by more than 22%, and accounted for approximately 51% of the total number of enterprises withdrawing from the market in the first six months of 2021.

Without timely and effective support, the situation will certainly worsen even further. When difficult factors of macro environment combine, they cause negative ripples on the endurance capacity of enterprises. The number of businesses that have to temporarily quarantine their workforce, or permanently stop operations will continue to increase sharply in the next six months, when the pandemic situation becomes even more and more severe as infections continue to spread.

Therefore, all support packages this time must be larger in scale because the health of businesses is not as strong as a year ago, and the number of businesses need much more help now with the pandemic raging on. The support package of VND 26,000 bn as released by the Ministry of Finance, and just been submitted to the Government to meet the set targets, may not be sufficient enough in the current crisis.

Also, the time factor is very important at present because the difficult crisis situation weighing down on enterprises is now much more severe and serious. In addition to preferential lending policies, interest rate reduction, debt rescheduling, late payment of tax, and social insurance obligations, additional solutions are needed to assess the current status of businesses and provide appropriate support policies.

The support should be similar to the medical model of a five-storey pyramid when treating an F0 patient. That is to say, we must see which businesses can manage on their own without help, which businesses need to be prioritized for support, which businesses need to undergo restructuring, and which businesses have to stop operating completely. This overall strategy will require a lot of resources, but if it is not implemented and businesses are left to fend for themselves, I am afraid that the cost will be dire and huge.

Macro uncertainties

When macro factors worsen in operations, the resilience of enterprises comes under strain and possibly even totally exhausted, which then causes bad debt ratio in banks to increase further. The fact that the difference between deposit and lending rates of commercial banks is being maintained at a very large level currently is a manifestation of the credit risk premium, which is a way in which the banking system manages to move the risk of a difficult economy onto interest rates.

The recently released Macroeconomic Report for the second quarter by the Institute for Economic and Policy Research (VEPR), also expressed concerns about inflationary pressures that will weigh on the economy in the last six months. Now world commodity and raw material prices are increasing sharply. As of June, the price of non-fuel goods, including agricultural raw materials and inputs for industrial production, increased by nearly 40% year-on-year. In this, the price of input materials for industrial production increased by nearly 70% and the price of raw agricultural materials increased by 30%. Fuel prices also increased by 110% mainly due to irregular supply cuts.

When looking at the graph, the CPI line, which reflects inflation expectations, is on a strong upward trend. The average Consumer Price Index (CPI) in the first six months of 2021 increased by 1.47% over the same period last year, the lowest increase since 2016, but signaling that aggregate demand was shrinking.

Meanwhile, the PMI, which reflects a sharp decrease in the number of purchasing orders of the manufacturing sector, stopped at 44 points in June, showing that business and production activities are fast shrinking. The contraction of aggregate supply and aggregate demand, accompanied by increased macroeconomic uncertainties, will make the real economic sector become weaker. All of this will be transmitted to the financial banking sector, and vulnerability will then become even more volatile.

The recent stock market movements have shown more instability when prices rose and fell abnormally without any explanation, showing signs of speculation and price manipulation. After surpassing 1,400 points and setting a new peak of 1,420.27 points on 2 July, the stock market began to plunge, and so far it has dropped more than 149 points. Prices go up and down for no apparent reason, but if you think that the sharp decline in prices in the last few days was due to the impact of the Covid-19 pandemic, then we need to ask the question whether the stock price increased sharply from mid-June to early July when the pandemic began to have negative effect.

The question is whether the strong growth of the stock market will add capital to businesses, or just indulge in buying and selling, and making securities a minor commodity that passes from one person to another, and each time pushes macro instability to increase accordingly.

At this time, there is an urgent need to move immediate focus and energize businesses and production, in an all out effort to strengthen the economy, maximize smoother operations of all economic activities, and maintain economic growth engines although they are slowing down. There is a strong need to minimize macro-economic instability and strengthen risk management for the financial system which covers both banking and the securities sectors.

These are policies that need to be prioritized on an urgent basis because they are much more practical to apply, than pursuing very nominal GDP growth targets.

6. Swings and roundabouts for pharma groups so far in 2021

Domesco Medical Import-Export JSC, the third-largest Vietnamese domestic drugmaker, in July announced the dissolution of the Vinh branch, which may be part of the company's efforts to reorganise operations to increase efficiency amid the COVID-19 pandemic.

The first half of 2021 was not rosy for Domesco after the company made revenues of VND697.54 billion ($30.32 million), only slightly up 0.17 per cent on-year. Meanwhile, its after-tax profit was down nearly 39 per cent on-year.

In its financial statement, Luong Thi Huong Giang, general director of Domesco, blamed the poor result mainly on the fall in sales due to COVID-19 which prevented people from going to hospitals and drugstores; as well as rises in medical ingredient costs.

Although the year has brought challenges for Domesco and other Vietnamese pharmaceutical companies, some still made gains thanks to their strength and new strategies.

Gains with new strategies

Traphaco JSC, the country's second-largest publicly traded drugmaker, estimated that it made VND1.03 trillion ($44.78 million) in consolidated revenues and after-tax profit of VND124 billion ($5.39 million) in the first six months, up approximately

22 and 38 per cent on-year, and fulfilling 49 and nearly 52 per cent of the year's targets, respectively.

Tran Tuc Ma, general director of Traphaco, attributed the growth to the new product Traphaton, which adds vitamin and mineral supplements, meeting local strong demands amid hot weather and pandemic developments. “The new product produces good revenue, surpassing the expected plan,” he noted.

Moreover, the strength of Traphaco's operation is maintaining the growth rate of self-manufactured goods. During the period, the company saw double-digit growth in its self-manufactured goods.

Traphaco now boasts three big shareholders – State Capital Investment Corporation (35.67 per cent), Magbi Fund Ltd. (24.99 per cent), and Super Delta Pte., Ltd (15.12 per cent).

Traphaco set a target of obtaining net revenues of VND2.1 trillion ($91.3 million) and VND240 billion ($10.43 million) in profit after tax in 2021, an increase of 10 and 11 per cent compared to the previous year, respectively.

Similarly, Imexpharm Pharmaceutical JSC (IMP), Vietnam's fourth-biggest pharma group, witnessed a slight on-year rise of 3.6 per cent to VND613.9 billion ($26.69 million) in the second quarter, while its after-tax profit ascended 3.2 per cent from the same period last year. IMP cited the challenges in the second quarter when the global supply chain of medical ingredients was hit as India, one of the biggest suppliers, experienced dire pandemic developments. As a result, IMP and other Vietnamese pharma firms faced steep price hikes.

Moreover, the latest wave of the pandemic in Vietnam is related to many hospitals, thus negatively affecting the ethical drugs channel (ETC), or the hospital segment, with which pharma giants like IMP are targeting.

Imexpharm targets a 10.7 per cent on-year rise in total revenue and 13.5 per cent in after-tax profit in 2021. SK Investment Vina III Pte., Ltd. is now the biggest foreign stakeholder at IMP with 29.42 per cent.

Likewise, the biggest publicly traded drugmaker DHG Pharmaceutical JSC recorded consolidated net revenue of over VND1.96 trillion ($85.21 million), and a consolidated after-tax profit of VND404.48 billion ($17.58 million), up 17.36 and 11.5 per cent on-year, respectively.

DHG, with the main foreign shareholders being Japan's Taisho (51.01 per cent), attributed the improvements to its focus on selling strategic and key products, a well-organised distribution system, and reduction of expenses to adapt to COVID-19.

This year, DHG set targets of VND3.97 trillion ($172.6 million) in revenues, up 4 per cent from 2020, and pre-tax profit of VND821 billion ($35.69 million), equal to last year.

Like the others, the third-largest drugmaker aims to gain VND1.54 trillion ($66.95 million) in net revenues and VND215 billion ($9.34 million) in after-tax profit in 2021, up 6 and 20 per cent from 2020, respectively.

Short-term challenges

Blockades and social distancing in southern cities and provinces in July are expected to affect pharma firms' sales more seriously in the third quarter when both the over-the-counter and ETC channels are hard hit.

Worse still, as most Vietnamese pharma firms are reliant on the import of medical ingredients, mostly from China and India, high risks of price rises in medical ingredients are expected. This has urged pharma firms to ensure reasonable storage of medical ingredients to deal with any possible breaks in the global supply chain.

In this challenge, IMP will strictly control inventory and debts, while focusing on online sales and marketing activities in the second half to ease the difficulties from social distancing and blockades.

To deal with the problem related to medical ingredients, IMP increased its reserves. Statistics from the drugmaker's financial statement showed that IMP's total assets rose 15 per cent on-year in the second quarter as the company increased working capital to store up ingredients to serve its demands.

Meanwhile, Traphaco will focus on self-researched and new products. Also, the progress of the technology transfer of modern pharmaceutical products by South Korea's Daewoong Group to Traphaco is also a drastic focus. In 2021, Traphaco aims to complete the technology delivery of at least three products so that the company can make revenue from them next year. The South Korean partners' products include diabetes, cardiovascular, and blood pressure medicines, which are now in great demand in Vietnam.

Nevertheless, the long-term prospects of the Vietnamese pharmaceutical industry are bright. According to Fitch Solutions, Vietnam's spending on healthcare is projected to reach $23 billion in 2022 and $42.9 billion in 2028. Rapid urbanisation is increasing healthcare demands in urban areas and, together with this, an ageing population leads to rising diseases and growing healthcare spending. This reflects much growth room for the local lucrative industry.

In addition, the development of IT applications is widening access to medical services, thus facilitating the operation of pharma giants' distribution networks. More than that, new modern sales channels will be developed by pharma firms, together with traditional ones. Industry insiders forecast that mergers and acquisitions (M&A) activities will be more bustling in the industry in the months to come as investors want to tap into this growth potential.

Ngo Thanh Hai, senior associate of the law firm LNT & Partners told VIR, “More international businesses are planning to expand in Vietnam, with M&A being a targeted channel because acquiring Vietnamese firms will enable them to have the distribution rights.”

7. Industrial zone leasing takes a hit as 2021’s pandemic complexities hinder activities

More than two months have passed since the latest wave of the broke out, severely impacting industrial manufacturers and zones in the southern provinces.

Many localities such as Ho Chi Minh City, Binh Duong, Long An, Dong Nai, and Ba Ria-Vung Tau are forced to apply regulations that allow enterprises to only operate when they ensure the implementation of strict stay-at-work guidelines, which enables their workers to sleep, have meals, and work at the site.

Many companies and factories, however, had to suspend operations. Pham Quang Anh, general director of Dony Garment Co., Ltd. said that his factory had closed because he could not meet all requirements.

“Enabling hundreds of workers to stay and have meals in the factory exceeded our ability, so we had to halt operations,” Anh said.

According to a Ho Chi Minh City Export Processing and Industrial Zones Authority (HEPZA) report, only 70 out of 85 enterprises in Saigon Hi-tech Park registered to continue operating under the new regulations. In Linh Trung Export Processing Zone and Industrial Park 1, 13 of 32 enterprises had stopped running.

Challenging production activities of enterprises also affect the operation of industrial zones (IZs). Meanwhile, the social distancing and travel restrictions continue to make it difficult for developers to find customers to rent land, factories, and warehouses.

Apart from foreign investors who cannot enter Vietnam, potential industrial real estate financiers and tenants can also not directly visit and survey projects in other provinces, which partly affects the rental prices in IZs.

Lam Dieu Tam Hieu, deputy general director of Kizuna JV Corporation, an enterprise specialising in ready-built factories in Long An province, said that only about 50 per cent of enterprises are currently still operating with the company's factory solutions. These are businesses maintaining production for orders that are in progress or have raw materials available at the warehouses.

“It is extremely difficult for manufacturing enterprises to maintain their production in this period due to many factors such as rising labour costs, shortage of labour, increased shipping costs, and regulations amid the pandemic," Hieu said.

As a support for many enterprises, Kizuna decided to reduce its rental fees by 15 per cent for the third quarter of 2021. Its fees will also not be adjusted according to the economic growth forecast from the last quarter of 2021 to the end of 2022.

According to Nguyen Van Be, chairman of the HEPZA, the industrial real estate market has slowed down, with few potential tenants asking for expanding or leasing factories.

Although affecting the leasing results of IZs, businesses still expect industrial real estate to continue to grow thanks to the government's efforts in both fighting against the pandemic and maintaining production.

The implementation of community vaccinations and the promise of a vaccine passport programme are what brings confidence to both property owners and investors.

Hieu said that Kizuna is now trying to attract existing enterprises that want to expand their businesses in Vietnam and look for a new factory. The company is particularly focusing on manufacturing enterprises with existing factories who are looking for relocations and upgrades to cut costs.

"The readiness and support services of Kizuna are helping enterprises to locate to Vietnam. Our marketing and consultant services are also adjusted to be more suitable amid the pandemic. Meetings and discussions are happening on online platforms like Meet, Zoom, and other social networking channels such as KakaoTalk, Line, and Skype," Hieu said.

Dang Thanh Tam, chairman of Kinh Bac City Development Holding Corporation, believes that with vaccinations in cities and provinces, the pandemic will soon be controlled. "With the current policies, I hope that Vietnam can push back the pandemic within the next few months, and that the country remains a favourite destination for foreign investors," Tam said.

As one of the country's leading IZ developers, Kinh Bac is determined to expand and build new IZs to meet the demand of new tenants.

"Just a few days ago, Kinh Bac received bookings from existing investors to expand their production lines and, at the same time, from new investors. For example, LG has expressed its willingness to acquire more space in the third phase of our IZs," Tam said.

Corporate News

8. SSB: SeABank reduces interest rate to support customers

↓ -0.27%

The support programme will focus on sectors such as transport, warehousing, accommodation and catering services, education and training, and healthcare.

In addition, the bank will also launch preferential credit programmes and encourage customers to use non-cash transactions.

SeABank has been implementing a super fast disbursement programme for businesses affected by COVID-19 valued at VND2 trillion (US$87.3 million) with an interest rate of 6.5 to 8 per cent a year.

It offers preferential interest rates for firms that have import-export activities with an interest rate of 5.6 to 6.4 per cent a year. Businesses enjoy no fees for using a SeABank Visa Corporate for the first year. Businesses can take advantage of the working capital available from their card credit to help manage capital and spending effectively.

The bank also launched a range of measures for individual customers such as reducing interest rates by 0.3 per cent a year for all loans, and providing fee-free money transfers and bill payments.

SeABank would continue to have timely solutions to untie its customers' difficulties in the complicated changes of the COVID-19.

9. VIC: Notice of stock issuance for dividend payment

↓ -0.61%

On July 20, 2021, the Board of Directors of announced the information on a stock issuance to dividend payment:

1) Stock name: Stock of Vingroup Joint Stock Company

2) Stock type: common share

3) Par value: VND10,000/share

4) Expected issue volume: 422,803,800 shares

5) Issue ratio: 1,000: 124.9999297

6) Plan to deal with fractional shares: The distributed shares will be rounded down. The fractional shares (if any) will be canceled.

7) Financial resource: Undistributed profit

8) Record date: August 18, 2021.

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