



# VIETNAM DAILY NEWS



September 16th, 2021

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## Market Analysis

### 1. Market recovers, boosted by strong gains in pillar stocks

Shares rebounded on Wednesday after a choppy session as the market's sentiment recovered. But foreign investors continued to net sell on both main exchanges, but the value was much smaller.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index bounced back after falling for two consecutive sessions. The benchmark finished yesterday at 1,345.83 points, up 6.13 points, or 0.46 per cent.

It opened on a cautious note and ended lower in the morning trade.

The market's breadth was positive with 281 stocks climbing, while 147 stocks declined. However, the liquidity kept sliding. Of which investors poured VND19.19 trillion (US\$844.87 million) into the southern market, equivalent to a trading volume of nearly 692.1 million shares.

The index's recovery was thanks to strong gains in some large-cap stocks, especially in the manufacturing sector. The VN30-Index posted a rise of 6.69 points, or 0.47 per cent, to 1,444.85 points.

Eighteen of the 30 biggest stocks in the VN30 basket rose yesterday, while ten stocks slid and two ended flat.

Masan Group (MSN) continued to be the market's leader with the maximum daily gain of 7 per cent. Other big manufacturing stocks that contributed to the gain were Hoa Phat Group (HPG), up 2.58

per cent, Hoa Sen Group (HSG), up 6.86 per cent, and Viet Nam Rubber Group (GVR), up 1.32 per cent.

It also received support from PetroVietnam Gas JSC (PVGas, GAS), Vinhomes (VHM), Petrolimex (PLX), PV POWER (POW) and Phu Nhuan Jewelry JSC (PNJ).

The index was still weighed by some stocks, including Vietcombank (VCB), Vietnam Airlines (HVN), Vinamilk (VNM) and Vingroup (VIC).

The HNX-Index on the Ha Noi Stock Exchange (HNX) also inched higher after dropping for three consecutive sessions. The index climbed 2.89 points, or 0.83 per cent, to 350.75 points.

During the session, over 171.5 million shares were traded on the market, worth nearly VND3.2 trillion.

Meanwhile, foreign investors still fled from the market as they net sold a total value of VND13.89 billion on both main exchanges. The amount was much lower than previous sessions.

Of which, they net sold a value of VND18.12 billion on HoSE, while net bought a value of VND4.23 billion on HNX.

The market's rebound went against the downtrend in the broader market. The Asian markets fell yesterday after weaker Chinese economic data.

## Macro & Policies

### 2. ASEAN economic ministers hold consultation meetings with partners

A Vietnamese delegation led by Minister of Industry and Trade Nguyen Hong Dien attended economic ministerial-level consultation meetings between ASEAN and its partners – the US, Hong Kong, India, the European Union and Russia – held via video conference in the framework of the 53rd ASEAN Economic Ministers' Meeting on September 14.

At the ASEAN-US consultation, Viet Nam and ASEAN member states thanked the US Government for its donation of COVID-19 vaccines and other anti-pandemic assistance. They also hailed the US as the second largest trade partner of the bloc with a total trade of US\$309 billion last year, up 4.6 per cent annually.

Participants took note of important progress in the implementation of the ASEAN-US Trade and Investment Framework Agreement (TIFA) in 2019-20 and the US-ASEAN Expanded Economic Engagement (E3) Initiative for 2020-2021 focusing on e-commerce, transparency and good practices, ASEAN one-stop shop mechanism, trade facilitation, development of micro-small, small and medium-sized enterprises, agriculture, trade and environment.

The meeting adopted a plan to carry out the TIFA and the E3 Initiative in 2021-22, with focuses on e-commerce, transparency and good practices, ASEAN single window, trade facilitation, development of micro-small, small and medium-sized enterprises, agriculture and the environment.

Regarding ties with Hong Kong, ministers welcomed the completion of ratification of the ASEAN – Hong Kong Free Trade Agreement and ASEAN – Hong Kong Investment Agreement by all stakeholders. They instructed working groups to work on remaining issues related to rules on origin and investment in those agreements.

In particular, Hong Kong expressed a wish to join the Regional Comprehensive Economic Partnership (RCEP) that ASEAN signed with the Republic of Korea (RoK), Japan, New Zealand, Australia and China on November 15, 2020.

At the meeting with India, ministers lauded all related countries for completing the approval of the ASEAN – India Investment Agreement and took note of progress in discussing the scale of review to upgrade the ASEAN-India Trade in Goods Agreement (ATIGA), towards further facilitating trade for enterprises.

About ASEAN-EU economic ties, the ministers spoke highly of the EU's support for the ASEAN Economic Community via programmes and initiatives within the framework of the ASEAN Regional Integration Support by the EU (ARISE Plus) and the Enhanced Regional EU-ASEAN Dialogue Instrument (E-READI).

The event also adopted the ASEAN-EU Trade and Investment Work Programme for the 2020-21 period and directed senior economic officials of both sides to continue with discussion so as to early reach a consensus on the draft ASEAN-EU Trade and Investment Framework Agreements to make way for negotiations.

The EU is now the second biggest investor in ASEAN with a total capital of \$7.6 billion and a significant trade partner of the bloc with bilateral trade revenue totalling \$258 billion last year.

During the ASEAN-Russia consultation, the ministers adopted the revised ASEAN-Russia Trade and Investment Cooperation Roadmap and the ASEAN-Russia Trade and Investment Cooperation Work Programme for the 2021-25 period, with focuses on trade and industry; micro-small, small and medium-sized enterprises; sci-tech, innovation and intellectual property; climate change, energy, transportation, agro-fisheries, tourism, culture, human resource development and health care, sustainable development and digital economy.

At the consultation meetings, the ministers also spent time talking with representatives of the ASEAN-US, ASEAN-India, ASEAN-EU and ASEAN-Russia Business Councils to grasp recommendations of the private sector regarding trade facilitation in the region.

### 3. Ship of world's largest container shipping company docks at Cai Lan port

Cai Lan International Container Terminal (CICT) in the northern province of Quang Ninh on September 14 welcomed the Marshall Islands-flagged Synergy Busan with a loading capacity of over 50,000 tonnes, the first container ship of Maersk Lines to dock in the port.

The ship, which carried over 2,000 empty containers, is on one of the two pilot trips to be operated by Maersk Lines to evaluate the economic efficiency towards the opening of an international container route to Cai Lan port in the future.

To shorten the time for procedures, the People's Committee of Quang Ninh province has allowed relevant agencies to perform quick COVID-19 test for all crew members instead of PCR tests. However, they must ensure that there would be no direct contact between the ship's crew members and people on shore. Other vessels are also not allowed to dock alongside the ship.

The fact that ships from the world's largest container shipping company arriving at CICT is a positive signal that Quang Ninh can exploit the

advantages of a large deep-water port in the northern region.

Frank Van Rompaey, General Director of Cai Lan International Container Terminal Co. Ltd, said MAERSK's container ships used to dock at the port because large ships cannot go to other ports in the area, adding that Quang Ninh province should take this advantage to attract investment and increase local competitiveness.

He said that the COVID-19 pandemic has caused difficulties for countries all over the world but Quang Ninh province has excelled in containing it with the adoption of strict measures.

According to Rompaey, once international container ship routes through Cai Lan port are set up, connecting with major markets in the world, especially Europe, the United States, China, Japan, the Republic of Korea and ASEAN, many great opportunities will be opened up for import and export, investment attraction and production development in the locality.

### 4. Car sales plummet for fifth consecutive month: VAMA

Domestic car manufacturers sold just 8,884 cars during August, a 32 per cent fall from the previous month marking the fifth consecutive month car sales plummeted since April this year, said a report by the Vietnam Automobile Manufacturers' Association (VAMA), an organisation consisting of 17 automobile manufacturers in Viet Nam.

The pandemic was said to be the main culprit behind the dismal performance. For the first time since the 80s, factories were forced to close to check the spread of the virus and car showrooms had to lay off many workers as the industry recorded the lowest sales in the last ten years despite the implementation of numerous promotions and incentives programmes.

As the economy took a major hit since the beginning of the fourth novel coronavirus outbreak (in late April), demand has since been in free fall as cities and provinces across the country went into

lockdown one after another. Economic downturns and mobility restrictions have been among the heaviest blows to the industry.

Hyundai, a consumer favourite and typically best-seller brand in the market, said they sold just over 2,100 cars in August, barely over half of their sales in July.

Even the up-and-comer VinFast, who led the market in August with 2,310 cars said their sales had fallen by over 40 per cent compared to July. Other brands have reported worse figures such as Mazda (-28 per cent), KIA (-34 per cent), Toyota (-38 per cent), Honda (-55 per cent), Ford (-70 per cent) and Mitsubishi (-76 per cent).

Total sales for the first eight months of the year recorded a drop of 13 per cent compared to the pre-pandemic level in 2019.

Many factories have been forced to shutter operations since April and as of now still have no plans to reopen. Those who were ready to resume operations said they were struggling to cope with a very high inventory level, said VAMA. To make matters worse, more than 200 showrooms and car retail outlets along with their service centres have not been able to reopen.

The industry is unlikely to make a comeback by the end of the year without rolling out massive sales incentive programmes, according to VAMA.

Earlier this year, the association submitted a proposal to halve registration fees for domestically manufactured automobiles. According to VAMA, the proposal, which has since stirred up a debate between local manufacturers and importers, was needed to support domestic car production and mitigate the damage caused by the pandemic.

## 5. Vietnam's GDP growth may reach 3.5-4 percent in 2021 if pandemic well controlled in September

The minister held that although the predicted result is lower than the set target, it requires greater efforts of the whole political system and localities.

If this scenario becomes true, 2021 will be the second year that Vietnam fails to complete its growth target, which will affect the implementation of the overall development plan for the 2021-2025 period. Last year, Vietnam's GDP growth only expanded 2.92 percent due to impacts from the pandemic.

Dung held that social distancing measures have greatly affected production and business activities as well as employment. Meanwhile, the cost for pandemic prevention and control is high, which affects the State budget collection and spending, he said, adding that the pandemic have also impacted on the establishment of new firms and the attraction of foreign direct investment.

Particularly, weak domestic consumption of agricultural products and high prices of input

materials have also caused difficulties for businesses' production expansion, he said.

The minister reminded localities to grasp all opportunities to catch up with the recovery trend of world major economies which have great impacts on the Vietnamese economy. He suggested that some localities should not depend on only one or two foreign-invested firms to secure economic growth.

In order to boost economic growth in the rest of the year and 2022, Dung pointed out a number of solutions, including the good control of COVID-19 and the avoidance of another outbreak that may crack down production and supply chains.

Besides, localities should increase meetings and dialogues with local businesses to create a more favourable investment environment for them, while ensuring social security, supporting pandemic-hit people, and actively building their own economic recovery plans.

## 6. Vietnamese among most financially stressed in Asia Pacific: survey

Vietnam is the second most stressed country in the Asia Pacific about the current financial situation, a survey of 10 countries has found.

Sixty seven percent of respondents said they are stressed about their finances, second only to Thailand (68 percent), according to the survey recently released by Dutch fintech company Backbase.

The least stressed countries are Australia and New Zealand (45 percent), Singapore (46 percent) and the Philippines (51 percent).

The top challenges Vietnamese face in managing their finances are building savings (67 percent), managing debts (62 percent) and planning for retirement (48 percent).

Finance management is an issue for many Vietnamese. The country has the second lowest level of satisfaction with saving tools for managing their money at 43 percent.

Only 54 percent of Vietnamese go to financial news, research websites or mobile apps to seek information for personal finances, investments or retirement planning, while the average ratio is 70 percent.

Bank leaders said the top challenges they face in developing digital money management tools in

Vietnam are a lack of understanding of how to change customer behavior and unsure how to partner with fintech companies.

The survey polled 900 retail banking consumers and 450 senior business decision-makers and influencers in financial organizations in February and March.

They were in 10 countries: Australia, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and Vietnam.

## 7. European businesses see negative outlook as restrictions hurt

Seventy six percent of European companies in Vietnam have recorded a negative outlook in the third quarter this year due to negative impacts caused by the fourth Covid-19 wave.

Looking ahead in the next quarter, 71 percent of European business leaders anticipate challenges, according to a survey of 193 respondents by the European Chamber of Commerce in Vietnam (EuroCham).

The Business Climate Index, which measures business leaders' sentiment quarterly, fell to the lowest in over a decade of tracking at 15.2 over 100 points.

Seventy percent of business leaders cited the main challenge they were facing as transport and logistics difficulties caused by social distancing.

Over half, 51 percent, said market conditions in Vietnam was another roadblock.

Other reasons included limited mobility of sales forces and inconsistent policies between provinces.

Due to extended lockdown restrictions that gravely affect the manufacturing sector, 18 percent have already shifted some production to other countries and 16 percent are considering their options.

European businesses also said the stay-at-work model does not prove to be effective long-term as workers want to go home and that it is too costly.

In terms of inoculation, 56 percent of companies have had a majority of their staff vaccinated with at least one shot.

EuroCham chairman Alain Cany said last Thursday if social distancing and mobility restrictions continue, "new investment projects could be put at risk and companies could consider relocating elsewhere in the region."

## Corporate News

### 8. MML: Masan inks deal with Dutch firm De Heus to boost productivity of Vietnam animal protein value chain

↑ 1.13%

Masan MEATLife Corporation (MML) and De Heus Vietnam on September 14 announced the signing of a memorandum of understanding to raise the productivity of the animal protein value chain.

The virtual signing ceremony saw the presence of Minister of Agriculture and Rural Development Le Minh Hoan, Christoph Prommersberger, charge d'affaires at the Netherlands embassy of in Viet Nam, Alain Cany, chairman of the European Chamber of Commerce in Viet Nam, Dr Nguyen Dang Quang, chairman of Masan Group, and other executives from Masan Group, Masan MEATLife Corporation, Royal De Heus, and De Heus Vietnam.

Under the MOU, the two sides will create and strengthen strategic partnerships and business cooperation opportunities.

They will work together to optimize and drive the productivity of Viet Nam's 3F (feed-farm-food) animal protein value chain by leveraging each other's strengths and capabilities.

Masan will focus on the branded chilled meat business while De Heus Vietnam will prioritise providing animal nutrition, genetics and husbandry solutions.

They will also partner with independent livestock and aquaculture farming entrepreneurs and provide them with end-to-end solutions to make them competitive and successful.

They will join hands to develop a 3F operating model to ensure safe, innovative and affordable chilled meat products are available to Viet Nam's 100 million consumers.

The MoU embodies the spirit of the EU – Viet Nam Free Trade Agreement and Investment Protection Agreement, and the strategic partnership between the two companies can greatly benefit Viet Nam's

animal protein value chain and socio-economic development.

The combination of De Heus Vietnam's expertise in the upstream sector and Masan's champion integrated FMCG-retail platform has the potential to accelerate the modernisation of the value chain.

The two parties plan to establish a committee to discuss their investments in new or existing ventures and supply chain cooperation to ensure there is a stable and predictable volume of inputs for the downstream meat business.

Danny Le, CEO of Masan Group and chairman of Masan MEATLife, said: "I believe this partnership will significantly contribute to the modernisation of Viet Nam's animal protein infrastructure to be on par with those of developed countries. Our focus is to ensure that all consumers have access to safe, healthy, delicious and, most importantly, affordable meat and fish products.

"This has great potential to be a transformative partnership that enhances consumers' daily lives."

Gabor Fluit, CEO of De Heus Asia, said: "We are delighted to cooperate with Masan MEATLife. Over time higher regulatory standards are being implemented in Viet Nam's animal protein value chain in terms of food safety, biosecurity, traceability, animal welfare, and antibiotics usage.

"In the meantime, it is also crucial to promote the competitiveness of the country's animal protein products against those from developed countries.

"To achieve this, it is important for the various links in the value chain to optimally work more closely together. I am confident that by combining the knowledge and experience of Masan and De Heus, we will be able to accelerate and achieve the desired progress in these areas."

The MoU is a non-binding agreement, but the parties are committed to develop one or more collaboration agreements by the first quarter of

2022. All cooperation agreements and/or ventures are subject to customary corporate and regulatory approvals.

Royal De Heus is one of the global leaders in the animal nutrition and husbandry industry. Since its entry into Viet Nam in 2009, it has been driving dynamic growth to become one of the largest animal feed producers in the country.

Masan MEATLife, a subsidiary of Masan Group Corporation, one of Viet Nam’s largest consumer-

focused businesses, was established to provide consumers with quality, innovative, value-added, and traceable meat products at affordable price points.

Its vision is to become a leading fast moving consumer goods (FMCG) company with a focus on branded meat products by improving the productivity of Viet Nam’s meat supply chain organically.

## 9. VIC: Vingroup launches Big-Data research company

↓ -0.65%

The Vingroup Corporation (VIC), Vietnam’s largest private conglomerate, has set up a new firm – VinBigData Jsc – with a chartered capital of VND470.8 billion (\$20.29 million).

The group will hold a 99 percent stake in the new company. The formation of VinBigData is based on the separation of a part of science and technology functions (scientific and technological services) of the Big Data Research Institute – under the Vintech Technology Jsc.

This new company has registered to function in 25 fields, focusing mainly on scientific research and technological development.

Vingroup had established last month an artificial intelligence research and application company, VinAI.



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