



VIETNAM DAILY NEWS



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Market Analysis

1. Shares trim early gains as large-caps fall

Shares cut early gains to end Tuesday on a negative note as strong selling force pushed down a handful of large-cap stocks, pressuring indices.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) fell 0.01 points to 1,395.33 points.

The index had gained 0.20 per cent on Monday to close at 1,395.53 points.

Market breadth became negative with 245 losers and 188 gainers.

More than 639.4 million shares were traded on the southern market, worth over VND20.3 trillion (US\$897.34 million).

The index was weighed by losses in some large-cap stocks, with the VN30-Index posting a decrease of 0.22 per cent, to 1,507.19 points. Thirteen of the 30 biggest stocks in the VN30 basket rose, while 17 stocks declined.

Losers in the VN-30 group included Sacombank (STB), losing 2.6 per cent, PetroVietnam Gas JSC (GAS), going down 1.7 per cent, Vincom Retail (VRE), falling 1.6 per cent, Masan Group (MSN) losing 1.4 per cent and Phu Nhuan Jewellery (PNJ) dropping 1 per cent.

The banking group differentiated notably in Tuesday's session. Bank for Investment and Development of Vietnam (BID), Vietinbank (CTG), Asia Commercial Bank (ACB), Saigon-Hanoi Bank (SHB) gained strongly. Meanwhile, Techcombank (TCB), Military Bank (MBB), HDBank (HDB) and Vibank (VIB) decreased slightly. Vietcombank (VCB) and VPB struggled around the reference.

On a sector basis, 13 out of 25 sector indices on the market posted losses, including IT, agriculture, oil and gas, retail, rubber production, food and beverage and construction materials.

On the other side, gainers were seafood production, logistics, banking, securities, insurance, wholesale and healthcare.

On the Ha Noi Stock Exchange (HNX), the HNX-Index climbed 0.55 per cent, to 387.00 points.

The index had gained 0.01 per cent on Monday to close at 384.88 points.

During the session, 107 million shares were traded on the northern market, worth over VND2.2 trillion.

Macro & Policies

2. Viet Nam ratifies ASEAN Trade in Services Agreement

The Vietnamese Government on October 18 issued Resolution 131/NQ-CP ratifying the ASEAN Trade in Services Agreement (ATISA).

The Ministry of Planning and Investment is tasked with collaborating with other ministries and agencies to implement the deal when it comes into force.

ATISA is considered a new step in ASEAN's integration process of services. Upon coming into force, the pact will replace the ASEAN Framework Agreement on Services (AFAS) that took effect in 1995.

As a principle, ATISA establishes frameworks to implement liberalisation commitments from AFAS, reduce discriminatory barriers between service providers, and lay a solid legal foundation and a

more transparent mechanism for trade in services in the region.

ATISA applies a "negative list" approach, under which all services sectors are considered as liberalised by default. A State would then list only those sectors/sub-sectors in which it has taken measures that it considers to run counter to the obligations of the agreement (also known as non-conforming measures).

ATISA also includes three sectoral annexes namely Annex on Financial Services, Annex on Telecommunication Services, and Annex on Air Transport Ancillary Services. These annexes include sector-specific obligations intended for deeper commitments and strengthened regulatory cooperation. In addition, the agreement also has Appendices I and II including the list of non-conforming measures of each ATISA member country.

3. Optimistic business signals fuel expectations of a stable and rapid recovery

Viet Nam's economy has recently received many optimistic signals from the business community, which are fuelling expectations of a stable and rapid recovery after a long disruption due to the COVID-19 pandemic.

At the press conference on Monday, Nguyen Van Lam, Deputy Director of the HCM City's Department of Labour, Invalids and Social Affairs said nearly 135,000 workers had returned to work at export processing zones and high-tech zones, and 5,000 workers resumed work at enterprises outside industrial zones.

Last week, the Dong Nai Industrial Zone Authority announced nearly 1,400 enterprises, or more than 80 per cent of those operating in 31 industrial parks in the province, have resumed operations, drawing more than 334,000 workers back to work which represents 54 per cent of total number of labourers at the local industrial parks.

In Binh Duong, the local authority said it was striving to have 90 per cent of enterprises resume operations by the end of this month and 100 per cent by the end of this year. The management board of provincial IPs is stepping up vaccinations for experts and workers towards the goal of returning to normal by early 2022.

Secretary of the provincial Party Committee Nguyen Van Loi committed all possible support to firms to return to work in safe conditions.

In the capital city, after easing many restriction measures, Ha Noi's businesses are speeding up production to secure new orders and restore production. In nine industrial parks in the city, the number of businesses operating normally has reached over 95 per cent.

These numbers have partly shown great efforts of the Government, localities and businesses themselves in putting the economy back on track.

The prolonged lockdowns due to the spread of the virus, especially in the southern region which is home to the country's production hubs, has disrupted most economic activities in the past two months.

Viet Nam's gross domestic product (GDP) increased by only 1.42 per cent in the first nine months after recording a decline of 6.17 per cent in the third quarter. It is also the first quarterly decline recorded since 2000.

Income and employment are also seriously affected, especially for workers in industrial zones and people who depend on services. The unemployment rate in the third quarter was 3.72 per cent and the underemployment rate among people of working age was 4.39 per cent, the highest since the first quarter of 2020.

Quick response

Despite some early confusion in containing the disease in some provinces, with the great efforts, solidarity and determination of the Government and the entire society, the pandemic has been gradually put under control in hotspots such as HCM City, Binh Duong, Dong Nai and Long An, paving the way for loosening measures to recover the economy.

Many policies have been adjusted to adapt to the new context and are introduced, giving hope to businesses and pulling them through this hard time.

During an online meeting on October 17, Prime Minister Pham Minh Chinh reaffirmed pandemic prevention and control policies must be unified nationwide, facilitating the implementation of measures to allow enterprises to resume operation and get workers back to work.

Resolution 128 recently issued by the Government on "Safe adaptation, flexibility and effective control of the COVID-19 pandemic" which sets out criteria to assess the level of pandemic risk and specifies response measures in a unified application to all localities, agencies and businesses, is good news for enterprises.

According to businesses, this resolution helps them define more clearly the risk levels which let them know when they can continue operation or when they need to temporarily halt operation ("on" or

"off") or "off" to any degree. Unified regulations will also prevent local authorities from creating or applying regulations of their own will, facilitating companies in building and implementing their business plans.

Earlier this month, the Ministry of Labour, War Invalids and Social Affairs (MOLISA) announced that from October 8, new regulations in Resolution 68 will loosen conditions and add more workers and businesses to the list eligible to receive funds from the support package worth VND26 trillion (US\$1.1 billion).

Since adoption in July, authorities in provinces and cities across the country have been quickly implementing measures to help people and businesses.

In the latest update from 63 provinces and cities, more than VND15 trillion has been disbursed under Resolution 68 by the end of September, of which receivers include 376,610 employers and nearly 18.6 million people.

In 25 southern provinces and cities, total support value reached more than VND11.7 trillion, accounting for 75 per cent of the whole country.

However, enterprises are still facing many challenges, including the shortage of workers after a huge number returned to their hometowns during the lockdown period, rising costs of input materials and the lack of capital for production.

Vo Tri Thanh, director of the Institute of Branding and Competition Strategy, said support policies need to be implemented synchronously and quickly to help businesses recover and catch up with the global trend, avoid letting them lose business opportunities which may be hard to find again.

"The most important thing for businesses now is a support package which is big enough (in value), large enough (in volume) to comprise of necessary entities in need of support and be implemented quickly enough," Thanh told Viet Nam News.

The pandemic remains complicated and unpredictable and the country is facing a wide range of heavy consequences in all aspects of socio-economic life.

The Ministry of Planning and Investment is working with other Governmental agencies, local authorities, business associations and industry experts to build a comprehensive programme to steer Viet Nam's

economic recovery in 2022-23, to connect supply and demand and to support businesses and the public, especially vulnerable groups in the post-pandemic period.

4. Capital city committed to support foreign-funded businesses

The capital city is committed to offering the best conditions for foreign investors to conduct businesses, said the city's leaders during a meeting with foreign investors in Ha Noi yesterday.

"The city authority considers the protection of investors' rights and interests among its most important policies, as well as a harmonious relationship among the State, the investors and the labour forces," said Ha Noi's party secretary Dinh Tien Dung, also a member of the Politburo.

Dung said in recent years, the city had implemented policies to identify and resolve difficulties experienced by foreign investors including numerous administrative reforms, improvements to the business environment and to boost the city's competitive advantages.

The city reported US\$1.28 billion in newly-registered investment during September despite a prolonged lockdown that lasted almost three months as a result of the fourth outbreak of the coronavirus.

It has reflected a great degree of confidence by the foreign investor community in the city's ability to check the spread of the virus and its potential for growth. To date, the city has been home to 6,625 foreign-funded projects with total registered capital of \$48.7 billion. Said projects accounted for 10 per cent of the city's budget collection, 12.6 per cent of development investment, 30 per cent of employment and 45 per cent of the city's import/export activities.

"This is a testament to foreign investors' confidence in the city as a destination for investment as well as in its potential," Dung told Viet Nam News.

Difficult times

He said Ha Noi fully understood the challenges faced by the business community during the pandemic.

The city's authority would be willing to listen, gather feedback and opinions and study proposals shared by the foreign investor community, especially in measures to help reopen the economy and boost recovery speed.

The city's leader said the pandemic, especially the fourth outbreak, severely affected all aspects of the city's socio-economic activities. While the city still managed to maintain positive growth during the first three quarters of the year at 1.28 per cent compared to the same period last year, its performance had been set back at way below target. The number of businesses that had been forced to close down increased by 22 per cent, new businesses founded decreased by 12 per cent and businesses that had been put on hiatus increased by 12 per cent compared to the same period last year.

Trade and commercial activities had been severely hampered with the supply chain taking heavy hits. Flow of goods and services had been disrupted causing a number of problems for foreign investors.

Dung said the most important mission objective for the city was virus control. Ha Noi had set a goal to quickly put the situation under control while committing all available resources to support foreign investors to resume business operations and minimise damage caused by the virus.

The city's tax department had been instructed to extend the deadline for payments of VAT tax, business income tax, land-use fees for the year for over 31,000 businesses. The support measure had been estimated to be around VND22 trillion (\$972 million). Over 650 businesses had also had their land-use fees reduced by 30 per cent for a total of VND250 billion since the implementation of Prime Minister's Decision 27.

"Businesses located in areas under lockdown who failed to file their tax applications by our deadlines will be forgiven. No penalties," deputy chairman of

the city's People's Committee Nguyen Manh Quyen told Viet Nam News.

Quyen said the city had been working round the clock to ensure import/export activities stay safe and uninterrupted. It has also been building a detailed roadmap and guideline for industrial parks and businesses across the city to resume operations.

New normal

At the meeting, a representative from the Japanese Chamber of Commerce and Industry in Vietnam proposed a number of solutions to help businesses stay open in potential future outbreaks. He asked the city to allow workers who have been vaccinated to commute to work regardless of their districts' virus status. He also asked for COVID-19 test results to be valid for 2 weeks and sample testing of no more than 5-10 per cent of all workers in a factory instead of everyone.

Vice president of EuroCham Nguyen Hai Minh asked the city to give more autonomy to businesses in COVID-19 response. He said as the current entry application to Viet Nam was already strict and time-consuming the city should consider removing several overlapping measures such as city-mandate quarantine and testings.

Dung said the city had been and would always stand with the business community and promised issues raised by businesses would be looked at and handled in a timely manner. He said the meeting, among the very first events in which participants take part in person since the lockdown lifted, was to send a strong message to foreign investors that the city was ready for the new normal and for an economic revival campaign to start.

Ha Noi, the largest economic hub in the north and second-largest in Viet Nam, accounts for 8.5 per cent of the country's population. The city contributed 16 per cent of the country's GDP, 18.5 per cent of the State budget and 8.6 per cent of total import/export.

5. Digital technology projected to earn US\$74 billion for Việt Nam by 2030: Seminar

Digital technology, if exploited to the maximum, can bring in over VNĐ1.733 quadrillion (US\$74 billion) to Việt Nam by 2030, with the most beneficial sectors including manufacturing, agriculture and food, and education-training.

The information was unveiled in a report on the potential of Việt Nam's digital economy, which was presented at a workshop held in Hà Nội on Monday.

Conducted by strategic economics consultancy company AlphaBeta, the report shows that Việt Nam has many opportunities to benefit from the digital economy.

Accordingly, the young, educated and tech-savvy population accounts for 70 per cent of its citizens under 35 years old. The literacy rate in the 15-35 age group is over 98 per cent, higher than the average global rate of 91 per cent. About 70 per cent of the population uses smart phones. Việt Nam also has the second fastest growing Internet economy in Southeast Asia after Indonesia.

The report, meanwhile, points out a number of barriers in exploiting benefits from digital technology, including regulatory requirements, digital connectivity, and a shortage of digitally skilled human resources.

Co-organised by the Ministry of Planning and Investment's Việt Nam National Innovation Centre (NIC) and Google, the workshop reviewed the current situation and possible development of Việt Nam's digital economy, as well as mechanisms and policies to promote its growth.

Speaking at the event, Deputy Minister of Planning and Investment Trần Duy Đông said in the context of the COVID-19 pandemic, Việt Nam needed to accelerate the digital economy's development on the basis of science-technology and innovation to improve the quality of life, productivity, efficiency and competitiveness.

World Bank Lead Economist for Việt Nam Jacques Morisset recommended that it was necessary for Việt Nam to focus on upgrading digital skills for workers, encouraging businesses' innovation, and

enhancing the accessibility and quality of information.

NIC Director Vũ Quốc Huy said the centre had cooperated with partners such as Google and Amazon to organise online training and capacity building programmes in technology, e-commerce

application, and digital transformation for domestic businesses.

He noted the building and implementation of more programmes to support innovation for businesses would be completed in the future.

6. Awareness is key to keeping safe in Hà Nội in the new normal: experts

Experts believe that when Hà Nội gradually moves to the “new normal” after COVID-19 outbreaks, citizens’ awareness is the most important factor to prevent the pandemic from spreading again.

Hà Nội Centre for Diseases Control (CDC) on Saturday night reported 12 new cases of COVID-19, and 10 of them had come from COVID-19-affected areas.

Last Thursday, a number of activities and services in Hà Nội re-opened after the pandemic was brought under control, including buses, taxis, museums, parks, hotels and restaurants. The services had been temporarily halted for more than three months.

Khổng Minh Tuấn, deputy director of the Hà Nội CDC, told the Dân Việt newspaper that other provinces and cities across the country had gradually re-opened for the new normal situation.

The fact that Hà Nội may have new cases is something that could be predicted in advance.

“It is important that the new cases are supervised and tested immediately. It depends on people’s awareness. If they use airlines, all passenger lists will be supervised. But at present, many others travel by other means and ignore medical declarations when returning to their hometown, it poses a high risk for the community,” he said.

Authorities at different levels created the best conditions for citizens when not requiring them to quarantine in concentrated facilities, thus people should stay aware of self-quarantine at home and making medical declarations.

At present, Hà Nội has not seen any cases with unclear origin.

Tuấn advised people to follow guidance about quarantine at home and make medical declarations to avoid spreading the pandemic to their families and the community.

Agreeing with Tuấn, associate professor Nguyễn Huy Nga, former director of the General Department of Preventive Medicine under the Ministry of Health, told Dân Việt newspaper that the occurrence of new cases, or unvaccinated cases returning from affected areas, will pose a risk of spreading the virus if preventive measures are not well implemented.

Those could affect children or vaccinated people who have weak resistance and elderly people, leading to new outbreaks, he said.

Nga added that it would not be as critical as in HCM City and southern provinces because nearly all people in Hà Nội had received the first dose of vaccine, and 50-60 per cent of them had received the second dose.

The new normal situation would lead to new outbreaks, but would not affect the capital city’s work in pandemic prevention and control, he said.

“People returning from pandemic-affected areas must strictly follow preventive measures. Violators must receive a penalty. Municipal authorities should closely supervise people coming from different areas,” said Nga.

7. Hà Nội to open COVID-19 vaccination registration for children from age 3

The capital city has started reviewing and making lists for vaccinations of children aged 3 and above.

However, many parents are expressing concerns on whether or not the registration is mandatory.

Addressing these questions, Trần Thị Nhị Hà, Director of Hà Nội Department of Health, said the Ministry of Health (MoH) was planning to inoculate children against COVID-19, however there are not yet detailed guidelines on the age range, types of vaccines, and timeline.

For Hà Nội, although age 3 is still in the vaccination age, the city cannot inoculate children of 3 years old yet and will deploy the possible vaccination programme for those aged 12 to 17 only, according to the Director of Hà Nội Department of Health. “That is possibly the case, as there is yet to be a specific guideline from the MoH. But in the immediate future, the MoH’s direction is to inoculate children age 12 and older,” Hà said.

“Vaccination always requires prescription and consent from the vaccinated. For children, it depends on the commitment and consent from their guardians, and thus parents can decide whether or not their children will get the jab,” said Hà.

According to Khổng Minh Tuấn, Deputy Director of Hà Nội Centre for Disease Control (CDC), the child vaccination programme is expected to be deployed with ease, as there are fewer than one million children aged 12 to 17 in the city. Vaccination sites will be at schools or at each locality, depending on whether students have come back to school or not.

“Everything is ready for the child vaccination programme. The thing is we don’t know when the vaccine supply will arrive and which types will be given to children,” said Tuấn.

Mixed reactions from parents

Several parents have expressed concern that there is insufficient research data on vaccinating children, while others worry that the vaccines could have long-term side effects.

“Our family practises hygiene and the 5K measures, takes vitamin supplements and exercises every day

to strengthen our immune systems,” said Nguyễn Văn Long from Tân Bình District, HCM City. “If getting the jab is voluntary then I would prefer my children to not be inoculated now and wait a little more, when research results on vaccination for children is available, and approval granted by the World Health Organisation (WHO).”

Meanwhile, other parents are excited at the news, believing the vaccination will allow children to head outside and protect them from severe illness should they happen to catch the virus. “I think the MoH will have taken careful considerations before deciding which vaccines would be approved for use on children. The neighbouring countries have also started their child vaccination programme so students can return to school,” said Lê Thị Ánh Vân, a parent from District 3, HCM City. “For me, what’s more worrying is the kids’ physical and mental health when having to studying online for an extended period of time, not speculations about the vaccine effects.”

According to Ngô Thị Minh, Deputy Minister of Education and Training (MoET), the Government’s direction is to vaccinate children age 12 to 17 so they could safely return to school, as it would get incredibly complicated once there is an outbreak. The MoET will look into the matter and consult with the MoH on whether to have unvaccinated children return to school at the same time as the rest.

Đỗ Xuân Tuyên, Deputy Minister of Health announced earlier that Việt Nam would start giving COVID-19 vaccines to children between 12 and 17 years old starting October, in oldest-to-youngest age order. The vaccination progress will also depend on the supply and the situation at each locality.

It is expected that 95 per cent of the 8.1 million children aged 12 to 17 in the country will be fully inoculated by April 2022. Expert consultation is also being conducted in preparation for vaccination in children aged 3 to 11.

The MoH and its experts are still assessing vaccination safety for children. While it is not yet clear which vaccines will be used in this programme, a MoH representative stated that the vaccines going to be used are those that have been approved by the ministry for this age range, according to the instruction of the manufacturers and the ministry.

Corporate News

8. VRE: Merger between two subsidiaries

↓ -1.62%

In order to restructure the internal ownership of subsidiaries, Vincom Retail Joint Stock Company (VRE) will merge South Vincom Retail Company

Limited into Vincom Retail Operation Company Limited. After the merger completes, South Vincom Retail Company Limited will no longer exist.

9. BID: Board resolution on agreements with related parties (BIDC VRB & NKG)

↑ 1.91%

On October 12, the Board of Directors of Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) approved to offer a syndicated loan to Nam Kim Steel Joint Stock Company (HOSE: NKG). Accordingly, BIDV – Phu Nhuan Branch was allowed to use the draft of the syndicated loan

agreement in the syndication agreements with BIDC – Ha Noi Branch, BIDC – Ho Chi Minh and Vietnam - Russia Joint Venture Bank (VRB) to provide funds for Nam Kim Steel Joint Stock Company.

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