



VIETNAM DAILY NEWS



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Market Analysis

1. Shares advance on the back of bank stocks

Shares advanced on Wednesday, led by gains in banking stocks and the market witnessed record high liquidity.

The market benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) gained 1.72 per cent to end at 1,488.87 points.

The index had gained 1.13 per cent to end Tuesday at 1,463.63 points.

The market's breadth was negative with 127 stocks rising, while 350 slid.

Liquidity set a new record high as investors poured over VND35.9 trillion (US\$1.6 billion) into the southern exchange, equivalent to a trading volume of VND1.1 billion shares.

The 30 biggest stocks tracker VN30-Index gained 2.1 per cent, to end at 1,565.29 points. Twenty-one in the VN30 basket climbed, while six decreased.

In the VN-30 basket, the best performers were Vincom Retail (VRE), Khang Dien House (KDH), Vinhomes (VHM), FPT Corporation (FPT), Mobile World Group (MWG), Bao Viet Holdings (BVH) and Masan Group (MSN).

A series of banking stocks across the board hit the ceiling prices such as Orient Commercial Joint Stock Bank (OCB), Military Bank (MBB), Vibank (VIB), Southeast Asia Commercial Joint Stock Bank (SSB), Eximbank (EIB) and Sacombank (STB).

“After a slight correction at the beginning of the morning session, cash flows actively caught the bottom so VN-Index went up and closed 1.7 per cent higher than that of Tuesday,” said BIDV Securities Co.

“Market breadth tilted to the positive side. Today's gaining session is showing positive signals in the market,” it said.

Towards the end of the trading session, many real estate stocks gained ground and strongly supported the market such as Vinhomes (VHM), rising 1.45 per cent, Vincom Retail (VRE) climbing 3.15 per cent and Khang Dien House (KDH) rising 3.08 per cent.

Nineteen out of 25 sector indices on the market gained ground, including IT, oil and gas, retail, food and beverage, seafood production, logistics, banking, securities, insurance, wholesale and healthcare.

On the other side, losers were rubber production, agriculture, and construction materials.

On the Ha Noi Stock Exchange (HNX), the HNX-Index rose 1.56 per cent to end Wednesday at 455.58 points.

During the trading session, nearly 106.5 million shares were traded on HNX, worth nearly VND3.1 trillion.

Macro & Policies

2. Banking sector embraces digital transformation to improve customer experience

Faced with the complicated developments of the COVID-19 outbreak in recent times, banks in HCM City and elsewhere in the country are strictly complying with social distancing regulations while also ensuring their systems operate smoothly and efficiently and fully meet the needs of individual and corporate customers.

The recent social distancing period was also a time when HDBank speeded up transformation of its operations.

So, despite reducing the number of employees working directly at the office and counter in accordance with the regulations on social distancing and epidemic prevention, the bank saw an increase in labour productivity and a reduction in costs while ensuring service quality and managing to serve customers in the best way.

This was thanks to the bank's modern technology platform.

HDBank has embraced digital transformation in all aspects like transaction processes, operations, human resources, and evaluation since 2020, and now seeks to make the digitisation faster and more comprehensive.

HDBank has managed to speed up comprehensive digitisation through key projects such as digitising the customer journey to bring new and convenient experiences in opening a payment account and savings book online and offering loans online against deposits, digitising the online customer journey with pioneering technologies such as electronic know your customer (eKYC), advanced eKYC and integrated authentication via video call, digitising the internal communication system, big data collection and analysis, and virtual assistant switchboard.

The use of robotic process automation technology with robot assistants has helped the bank reduce manual tasks by more than 80 per cent and increase processing speed 30 times (from three minutes to only five seconds for a transaction) with an error rate of almost zero.

According to the bank's statistics, in the five months since the account opening process at the counter was digitised, the number of customers registering for e-banking rose to 67 per cent from the earlier 50 per cent.

HDBank's digital applications and automation of products and services have helped improve the efficiency of transactions and meet customers' needs amid the social distancing and 'new normal'.

As a result, in the first six months of the year the number of e-banking transactions doubled from the same period last year with the transaction value tripling to nearly VND60 trillion (US\$2.6 billion).

To support businesses after the restrictions were lifted and gradually revive production and business, HDBank continues to deploy credit promotion services such as cash flow management, issuing UPAS L/Cs to promote import and export and rapid payment through eBanking with a comprehensive digital solution package.

It has also optimised services on digital platforms such as opening a business account online, 24/7 online lending (eCredit), issuing L/C online (eLC), and online international money transfer, all to support corporate customers with solutions and adapt to the new normal and digital society.

HDBank has also digitised the operating process through the use of robots for timekeeping for employees, handling requests from customers and automatic order approval.

In its internal operations too, HDBank has strongly digitised by applying Akabot, a comprehensive RPA platform that helps automate business processes involving a large number of repetitive tasks to increase productivity and improve cost savings; regularly organising online training, seminars and workshops; and enhancing communication on its internal communication channel, Workplace.

The iPaper system is applied to almost all internal processes/regulations, saving the time and cost needed for paperwork and being of particular help during the social distancing period.

Valuation, automatic and centralised accounting and document management are all optimised on the technology platform.

Customer-centric

Thanks to its accelerating digital transformation, HDBank has ensured the efficient operation of its internal systems and business activities and smooth operation of products and services on the digital platform, especially amid the pandemic-driven restrictions.

Tran Thu Huong, director of the bank’s operations division, said: “To ensure smooth operations, the operations division in collaboration with other divisions has made improvements in everything starting from the most minor of them.

“Thanks to that, we have created a new, scientific, systematic, and more comprehensive way of working, saving time in handling services provided

to customers. With the goal of how to serve customers most effectively, we always strive to make today better than yesterday and tomorrow better than today.”

HDBank has efficiently implemented the Government’s policy on waiver and reduction of loan interest rates to support customers in a number of areas directly affected by COVID and where there has been prolonged social distancing, with more than 18,000 customers owing a total of nearly VND42 trillion in outstanding balance benefiting.

The results have helped HDBank succeed in building a large loyal customer base.

Reforming operations and improving services on a digital basis is one of HDBank’s efforts to make a difference in serving customers, making them happy and successful, and helping them achieve financial security.

3. Viet Nam, Russia boost agricultural, aquatic trade ties

Viet Nam and Russia have vowed to boost agricultural and aquatic trade ties during a webinar to study the Russian market and increase the export of agricultural and aquatic products to the country.

The webinar was jointly held by the Vietnamese Ministry of Agriculture, Rural Development (MARD), the Russian Ministry of Agriculture, the Russian Embassy in Vietnam, and the Vietnamese Embassy in Russia.

According to MARD Deputy Minister Tran Thanh Nam, Viet Nam is holding the top position in trade turnover with Russia in Southeast Asia, and is Russia’s sixth largest trade partner in Asia-Pacific.

Two-way trade reached US\$4.5 billion during the 2018-2020 period, of which farm produce accounted for around 18-20 per cent, or \$900 million each year. It stood at \$500 million in 2018.

In the first 10 months of this year, Viet Nam’s exports of agro-forestry-fishery products to Russia surged by 32.6 per cent year-on-year to \$469 million. Viet Nam mainly shipped aquatic products, coffee, cashew nuts, fruit, tea, wood and rice to

Russia, while importing aquatic products, wheat, fertilisers, timber, meat and dairy products.

The two sides should make use of their advantages and turn challenges into opportunities amid the COVID-19 pandemic, Nam said.

“Both sides need to take drastic actions to grasp opportunities during the pandemic and push for greater cooperation in agricultural trade,” Nam said.

Russian Deputy Minister of Agriculture Sergey Lvovich Levin said the Vietnam-Eurasian Economic Union (EAEU) Free Trade Agreement has opened up trade opportunities for the two countries.

Viet Nam was a dynamic and developed market in the region, the official said, stressing the two countries would promote their agricultural trade to a new level.

Echoing Levin’s views, Vietnamese Trade Counselor in Russia Duong Hoang Minh said thanks to the EAEU, most of Viet Nam’s agricultural and aquatic exports to Russia have enjoyed a zero tariff.

He suggested Vietnamese enterprises participate more in major Russian exhibitions to further study the market, thus boosting agricultural and aquatic exports to the country.

In addition, they should invest more in the products that have advantages like coffee, aquatic products and processed fruit, he said, explaining that raw material exports bring about low economic value.

Minh added thanks to the AEAU, where the majority of Vietnamese farm produce and seafood to Russia are subject to zero per cent import tariff, products have a greater advantage compared to those from other countries that do not have a similar trade agreement with Russia.

More importantly, Viet Nam has a large number of enterprises that have been active in the Russian market for a long period.

To further boost trade relations with Russia, Minh called for local firms to actively take part in major trade fairs held in Russia to better understand market preferences.

“A deep insight of the Russia market is essential, and should be the priority for Vietnamese companies,” said Minh.

Minh also suggested local firms focus on processed food or products of higher added value, including coffee, seafood and fruits, instead of exporting raw products with a low value to the Russian market.

Vice President of the Vietnam Association of Seafood Exporters and Producers (VASEP) To Tuong Lan

stressed that Russia remains a potential market for Vietnamese seafood.

“The EAEU is providing local firms with an ideal platform to penetrate the market, but the Russian authorities have strict requirements on food safety and quality control,” Lan said.

Lan also pointed out the complicated procedures for firms to get export licenses that are making it difficult for many companies to penetrate the market.

Meanwhile, firms subject to export limitations to Russia face a drawn-out process to address concerns from Russian authorities, Lan said, referring to the unresolved case of 10 out of 22 local catfish export companies whose sales to Russia have been suspended since 2014.

“Both sides should enhance cooperation and work out differences in the trade process to take farm trade relations to a new level,” she said.

In this regard, Vice Minister Nam expected the upcoming visit of Viet Nam’s State President Nguyen Xuan Phuc to Russia would be an opportunity for both countries to strengthen economic relations.

Nam said given the combined population of 250 million, the market size is a significant incentive for companies from both countries to tap into the potential, in turn contributing to reaching the bilateral trade revenue goal of \$10 billion.

4. Cà Mau tightens regulations on use of geographical indication for black tiger shrimp

The southernmost province of Cà Mau has strengthened regulations on the use of Cà Mau geographical indication for its black tiger shrimp to protect the rights of shrimp breeders and consumers.

The province, the country’s largest shrimp producer, was granted the Cà Mau geographical indication for

black tiger shrimp in September by the National Office of Intellectual Property.

The province’s Department of Science and Technology is in charge of managing the Cà Mau geographical indication for black tiger shrimp.

The department has issued regulations that define the responsibilities and rights of organisations and individuals in their activities to control geographical indication usage.

The regulations cover procedures and guidance for inspecting the use of geographical indications to ensure the origin, quality, and reputation of the province's black tiger shrimp.

It includes regulations on breeding and processing the shrimp, shrimp seed origin and geographical breeding areas, and the quality of end shrimp products bearing the Cà Mau geographical indication.

The Cù Long (Mekong) Delta province has more than 300,000ha of aquaculture, including 280,000ha of shrimp, according to the province's Department of Agriculture and Rural Development.

The province's shrimp breeding area accounts for 45 per cent of the Mekong Delta's total shrimp breeding area and 40 per cent of the country's total shrimp breeding area.

Of the province's 280,000ha of shrimp, about 19,000 ha have been granted international standard certificates, including global good agricultural practices (GlobalGAP), Global Aquaculture

Stewardship Council (ASC), Best Aquaculture Practices (BAP), and Vietnamese good agricultural practices (VietGAP).

Black tiger shrimp is one of the province's key seafood products and the province's many black tiger shrimp breeding areas have been granted international certificates.

The province plans to maintain its shrimp breeding area from now to 2030 but is enhancing output and quality by applying advanced farming techniques.

The province plans to develop five super-intensive shrimp breeding areas. Each area will breed shrimp under international quality standards.

Besides breeding shrimp under intensive farming methods, the province has advantages for developing extensive shrimp farming under shrimp – rice farming and shrimp – forest farming methods.

The province aims to have 40,000ha of shrimp–rice farming by 2025.

The province exports about US\$1 billion of shrimp a year, accounting for about 30 per cent of the country's total shrimp export value. Its shrimp is exported to more than 90 countries and territories.

5. HCM City pilots price stabilised sale points to benefit factory workers

The HCM City Department of Industry and Trade has begun a programme called 'Mobile price-stabilisation sales points' at export processing zones and industrial parks to ensure workers there can buy safe foods at fair prices.

At each sales point, around 100 fresh food products such as pork, frozen beef, vegetables, and fruits and processed foods from brands such as Cho Sale, Go Green, Grove Fresh, Nutifood, TTC, and Coca-Cola are sold at prices that are 5-10 per cent lower than market prices.

Besides, many of the items are sold at discounts of 10-50 per cent.

Nguyen Nguyen Phuong, deputy director of the department, said the programme seeks to supply essential goods at stable prices to workers, help businesses resume safe production and ensure quality and food safety and hygiene.

It is being trialled at the Tan Thuan EPZ and Linh Trung 1 and Linh Trung 2 IPs from November 22 to March 31, and the department and the Export Processing Zones and Industrial Parks Authority will then evaluate its effectiveness to expand to all EPZ and IPs in the city.

6. Da Nang IT Park to receive US\$100 million of investment

A green data centre in Da Nang's Hi-Tech Park worth US\$100 million has been agreed to thanks to a Memorandum of Understanding (MoU) signed between Trung Nam Group and Singapore's Infracrowd Capital.

It's the first-ever Tier 3 Plus standard data centre in central Viet Nam. It will facilitate the growing demand for information technology, economic digital transformation and smart city infrastructure in Da Nang and central region in the coming years.

The data and Research and Development (R&D) centre will be built on 20ha site in the Da Nang Information Technology Park – the third national IT centralised zone and the first in central Viet Nam's 'Silicon Valley'.

Director of Da Nang Hi-Tech Park Company, Nguyen Anh Huy, said the data and R&D centre will be a key piece of the mosaic of the IT Park ecological system that hopes to attract foreign investors from the US, South Korea, Japan, Taiwan (China) and Singapore.

He said the centre will be developed in two stages leading to full operational capacity by 2024.

Huy said the construction of a chain of surface-mount technology (SMT) factories at the IT Park's Information Technology and Communication (ICT) Service Zone is in preparation to contribute to global supply chains.

The first SMT factory, with a capacity of 6.2 million electronic products per year, opened last year, he said.

An apartment and villa zone for experts and engineers, as well as an eco-park project, has been built on 26ha of the IT park, at a cost of \$91.3 million.

Trung Nam Group said it completed the first investment phase on 131ha at Da Nang IT Park with an investment of \$47 million, while the second phase on another 210ha will be continued with an investment of \$74 million.

Also on Tuesday (November 23), Trung Nam Electronic Manufacturing Services (Trung Nam EMS) and Xelex Corporation signed an agreement for the production of 100,000 tablets, for the online education of students in Da Nang City.

The two partners agreed to join the 'Internet and computers for students' campaign to provide millions of computers to disadvantaged students, especially those living in areas hit by the COVID-19 pandemic.

Trung Nam EMS plans to operate 20 SMT production lines in 2022, creating jobs for 2,000 residents in central Viet Nam.

South Korea's LG Electronics began construction of its R&D centre – the second in Viet Nam – at the Da Nang Information Technology Park Tower just three months after signing an agreement with Trung Nam Land JSC.

The Da Nang IT Park was designed to lure investors from the Silicon Valley in the US into industries such as healthcare, high-tech industries, artificial intelligence, education, real estate and automation.

The city will host a virtual conference calling for investment into ICT from South Korea, currently one of five top foreign investors in Da Nang.

7. PM Chính meets with leading Japanese investors

Prime Minister (PM) Phạm Minh Chính had a business lunch on Wednesday with leading Japanese investors, during which the issue of Official Development Assistance (ODA) was discussed.

PM Chính told the Japanese investors: "Soon there will be a new generation of ODA, with new content and new ways of doing things, to further improve its effectiveness."

Japan is currently one of the largest investors in Việt Nam with about 4,800 projects, totalling over US\$65 billion of investment. Japanese tourists are the third-highest number of visitors to Việt Nam and the country has a trade turnover of more than \$40 billion.

The Prime Minister believes that two-way trade between the two countries will grow even more.

PM Chính said Việt Nam's focuses are to prioritise green development, living in harmony with nature, reducing the impacts of climate change, and enhancing digital transformation.

“We are determined to continue implementing three strategic breakthroughs: an institutional breakthrough associated with administrative reform that reduce costs for people and businesses; training high-quality human resources, and improving infrastructure while adapting to climate change,” he said.

“In order to do so, we determine that the internal forces - nature and historical traditions - are decisive, but external forces are also important. Those are capital, technology, and management,” PM

Chính said, adding that Việt Nam expects to learn from Japanese investors who have been successful in the Vietnamese market.

Answering specific questions about the issues that Japanese investors are interested in, such as land policies for infrastructure, railway transport, development orientations for energy industries, and smart cities, the Prime Minister said urban development is the driving force behind growth.

He said Việt Nam does not distinguish between public and private investors, as long as they comply with the law so that resources can be effectively mobilised.

Regarding the draft Power Development Planning VIII, the Prime Minister said that the Government is consulting scientists and businesses to finalise and carefully calculate the structure of sources, transmission, distribution and efficient use, but the priority goal of developing renewable energy is obvious, he said. Việt Nam is completing the bidding and auction mechanism to facilitate the market and create the most favourable conditions for investors.

Corporate News

8. HAX: Adjustment of foreign ownership limit

↑ 0.55%

On November 19, 2021, the Vietnam Securities Depository (VSD) issued Official Document No.11446/VSD-DK.NV announcing the adjustment of foreign ownership limit at Hang Xanh Motors

Service Joint Stock Company (HAX) from 49% to 50%.

Adjustment date: November 19, 2021.

9. VCI: Signing the credit limit with Foreign Banks

↑ 2.93%

On November 22, 2021, Viet Capital Securities Joint Stock Company has successfully signed the credit limit from the foreign banks with total value of

USD100,000,000 along with the right to raise the limit up to USD150,000,000 which is arranged by Maybank Kim Eng Securities Pte.Ltd.

Research Team: **Tsugami Shoji** *Researcher* jsi@japan-sec.vn

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Japan Securities Co., Ltd – JSI

Address: 14F, TNR Tower, 54A Nguyen Chi Thanh, Lang Thuong, Dong Da, Hanoi

Tel: (024) 3791 1818

Fax: (024) 3791 5805

Email: info@japan-sec.vn

Website: www.japan-sec.vn