



VIETNAM DAILY NEWS



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Market Analysis

1. Shares end week on a negative note

Shares corrected in the last trading session of the week with many heavy-weight stocks losing ground due to strong profit-taking pressure.

The market benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) lost 0.52 per cent to end at 1,493.03 points.

It had gained 0.80 per cent to end Thursday at 1,500.81 points.

The market's breadth was negative with 166 stocks rising, while 315 slid.

Market liquidity remained high as investors poured over VND35.4 trillion (US\$1.6 billion) into the southern exchange, equivalent to a trading volume of 1 billion shares.

The 30 biggest stocks tracker VN30-Index declined 0.38 per cent, to end at 1,566.55 points. Twenty-two in the VN30 basket decreased, while seven increased.

In the VN-30 basket, the worst performers were PetroVietnam Drilling and Well Services Corporation (PVD), falling 5 per cent, Sabeco (SAB) declining 2.4 per cent, Vietjet (VJC) losing 2.4 per cent, Tien Phong Bank (TPB) dropping 2.2 per cent, and PetroVietnam Gas JSC (GAS) down 1.8 per cent.

Oil and gas stocks also had a correction session after the previous few days of slight recovery.

PetroVietnam Drilling and Well Services Corporation (PVD) moved down more than 5 per cent, Binh Son Refining and Petrochemical JSC (BSR) lost more than 4 per cent, PetroVietnam Technical Services Corporation (PVS) dropped 3 per cent. PVPower (POW), Vietnam National Petroleum Group (PLX), PVOil (OIL), PetroVietnam Gas (GAS) and Petrochemical and Bio-Fuel JSC (PVB) fell from 1 per cent to 2 per cent in the last session of the week.

“VN-Index failed to conquer a new peak and dropped to 1,493 points. Market breadth was skewed to the negative with losers twice as many gainers. In the next one or two sessions, the market may continue to move around the new peak of 1,500,” said BIDV Securities Co.

Foreign investors net sold VND2 trillion on HOSE. They were net sellers on HNX with a value of VND27.45 billion.

On the Ha Noi Stock Exchange (HNX), the HNX-Index lost 0.23 per cent to end Friday at 458.63 points.

The index had risen 0.90 per cent to end Thursday at 459.67 points.

During the trading session, nearly 133.7 million shares were traded on HNX, worth nearly VND3.7 trillion.

Macro & Policies

2. Time for securities firms to raise charter capital

Many securities companies are planning to raise capital through forms such as dividend payment, purchase rights and private offerings to meet the growth of the stock market.

The Board of Directors of SSI Securities Corporation (SSI) has just issued a resolution to submit to the General Meeting of Shareholders a plan to increase charter capital to nearly VND15 trillion (US\$661.4 million) through share offerings to existing shareholders.

Accordingly, the securities firm plans to offer about 497.4 million new shares to existing shareholders, with a ratio of 2:1 and offering price of VND15,000 per share. The total offering value at maximum par value is approximately VND4.97 trillion. Existing shareholders have the right to transfer their rights to buy shares to others within a specified time.

In September, SSI issued nearly 218.3 million shares to increase capital from owner's equity and offered more than 109.55 million shares to existing shareholders. Thereby, the company's charter capital rose to nearly VND9.85 trillion.

With the new resolution, if the issuance is completed, its charter capital will reach nearly VND15 trillion, continuing to maintain SSI's position as the largest securities company in Viet Nam.

A representative of SSI said that the rise in charter capital is to supplement business capital, improve underwriting capacity, investment capacity and margin lending capacity. During the time when there are no margin lending transactions, the money will be used to invest in bonds and certificates of deposit to ensure efficient use of capital.

Also during the period, Yuanta Securities Vietnam Company Limited (YSVN) has just been approved by the State Securities Commission (SSC) to increase its charter capital from VND1.5 trillion to VND2 trillion.

Nguyen Thanh Tung, general director of YSVN, said that higher charter capital will help YSVN increase its capacity to provide more margin loans. It will also increase investment in technology, upgrade

systems, improve processes, hire more employees, conduct domestic and foreign training and develop new products to bring the best experience to customers.

The document expected to be submitted to the 2021 Extraordinary General Meeting of Shareholders next month of VNDirect Securities Corporation also said that its Board of Directors will submit to the General Meeting of Shareholders for approval an offering plan of nearly 435 million shares to existing shareholders with a ratio of 1:1 and the offering price equal to the par value of VND10,000 share.

According to the plan, VNDirect will use 40 per cent of the fund to supplement capital for margin lending activities, while the rest is for investment in valuable papers, underwriting securities activities, supplementing capital for issuance and distribution of covered warrants.

VNDirect's Board of Directors will also submit a plan to issue nearly 348 million shares to increase capital from equity sources (bonus shares) with the expected rate of 80 per cent, meaning shareholders with 100 shares will be entitled to receive 80 new shares.

With these two issuances, the charter capital of VNDirect can edge to more than VND12 trillion. The execution time is in 2021 or 2022.

Many other securities companies also have significant capital increase plans at this time.

Preliminary statistics showed that more than 30 securities companies have plans to raise capital in 2021, mainly through forms like paying dividends, purchase rights, and private offerings.

YSVN said that the stock market is witnessing a historic boom in both liquidity and trading value, becoming the most wanted investment channel. Just in the first ten months of 2021, there were more than one million new brokerage accounts opened, which was the highest figure in history.

The rapid increase in the number of accounts and positive movements of the market have boosted demand for margin loans.

However, due to tight capital sources and regulations on the ceiling of outstanding loans for the activity, many securities companies have not been able to meet investors' demand.

Therefore, YSVN believes that these raising charter capital plans are made at the right time, helping companies to increase margin lending, serving the rising capital demand.

Abundant capital will also improve the profit outlook of securities companies.

In the first nine months of this year, income from margin lending, brokerage and proprietary trading of securities companies climbed dramatically compared to the same period last year, helping many securities companies reach their profit plans for the whole year of 2021 three months ahead of scheduled.

3. Many industries make rapid recovery in production, exports in October

After a decline in output and exports in the second and third quarters due to the COVID-19 pandemic, many industries have seen a rebound in exports and strong growth since October.

Trung An Hi-tech Agriculture Joint Stock Company in Can Tho City said it has signed a contract to export 15,000 tonnes of rice to South Korea.

The company has opened a representative office in Hamburg, Germany, to exploit the EU market since the import tariffs on Vietnamese rice have been reduced under the EU-Viet Nam Free Trade Agreement (EVFTA), Pham Thai Binh, its general director, said.

Deputy Minister of Industry and Trade Dang Hoang An said the EVFTA would help Viet Nam participate in the process of restructuring supply chains with EU partners.

After a long period of production suspension or reduction in output, seafood processing companies are recovering, but cannot keep up with export demand as orders keep coming.

The Minh Phu Seafood Corporation has been active again since October with its three processing plants with a capacity of 18,000 tonnes a year each and a packaging plant with a capacity of 5,000 tonnes.

In the third quarter, the company's revenues fell by 36.7 per cent year-on-year to VND2.78 trillion despite a sharp rise in export prices as demand surged in major markets.

Le Van Diep, its deputy general director, said that the fourth outbreak of the coronavirus, with the Delta variant spreading in the south, disrupted supply chains, including in the shrimp industry.

Shrimp processing plants in the Mekong Delta had to house their workers and comply with other restrictions, which reduced their capacity by 30-70 per cent, meaning they could not fulfill customers' orders, leading to a decrease in revenues, he added.

The Viet Nam Association of Seafood Exporters and Producers said after declining for two consecutive months, the country's seafood exports rose by 47 per cent in October to US\$918 million.

In the first nine months, they rose by 2.4 per cent year-on-year to \$7.1 billion.

Do Xuan Lap, chairman of the Viet Nam Timber and Forest Products Association, said the recovery by businesses supplying wood products has been faster than predicted.

In the first 10 months of the year, exports of wood and wood products jumped by 23.4 per cent year-on-year to nearly \$12 billion, he said.

Now that the pandemic is being controlled gradually, wood processing hubs such as HCM City and Binh Duong, Dong Nai and Tay Ninh provinces are recovering rapidly, he said.

"This is a very positive sign for the industry."

According to the Ministry of Agriculture and Rural Development, exports of agricultural, forestry and fishery products in October were worth \$3.4 billion, up 4.2 per cent from September.

Exports for the year were worth \$38.75 billion, up 13.1 per cent, it said.

4. Room remains for Vietnamese processed fruit and veggie exports

Processed fruits and vegetables will continue to enjoy strong growth potential thanks to their convenience and long preservation time, the Viet Nam Industry and Trade Information Centre has forecast.

Between 2016 and 2020, Viet Nam's processed fruit and vegetable exports grew by double digits annually. In 2019, exports surged by 41.2 per cent year-on-year, before slowing to a still respectable 11.1 per cent in 2020.

Amid the prolonged COVID-19 pandemic, processed fruit and vegetable exports earned US\$653.5 million over the past nine months, up 16 per cent year-on-year.

The key export markets for Vietnamese processed fruit and vegetables are China, Japan, South Korea, Australia, Russia and the US. Viet Nam's exports to China grew by 24.8 per cent over the same period in 2020.

The centre forecasts that the COVID-19 pandemic will not negatively affect the global processed fruit and vegetable industry. On the contrary, the supply of processed fruit and vegetables has increased, while the export of fresh or frozen products has fallen, causing a shift among producers.

General Secretary of the Viet Nam Fruit and Vegetable Association Dang Phuc Nguyen agreed. He told Viet Nam News that the country's exports of processed fruits and vegetables have performed positively in the past two years, despite the pandemic.

Nguyen explained that the pandemic has broken transport supply chains, making shipping costs higher due to the limited number of operational ships and aircraft. At the same time, a major

If this pace is maintained in the remaining two months of 2021, the export target of \$44 billion is completely feasible, it added.

maritime incident in the Suez Canal - the gateway for the movement of goods between Europe and Asia - has extended the shipping time of fresh fruits and vegetables.

"The longer shipping process can make fresh fruits and vegetables damaged," Nguyen told Viet Nam News, adding that in this context, fresh fruits and vegetables that cannot be exported will be provided to local processing factories.

This abundant source of raw materials at cheaper prices has helped processing factories to speed up their production capacities for exports, Nguyen said.

He added shelf life and e-commerce are responsible for promoting the consumption of processed fruit and vegetables in imported countries where transportation has also encountered difficulties due to social distancing measures.

Thanks to surging demand and the efforts of local processing factories to expand their production, processed fruits and vegetables currently account for 25-30 per cent of the total national export turnover of fruits and vegetables, compared to 10 per cent in the pre-pandemic period, Nguyen said.

However, the fruit and vegetable processing industry continues to face many shortcomings and limitations.

One issue is Vietnamese products are currently exported under different brand names, which Nguyen attributes to a lack of strong brands at a national level, as well as an insufficient understanding of the tastes of customers and a failure to establish supply chains in overseas markets.

The processing industry only meets 8-10 per cent of the annual fruit and vegetable output. Consumption is still in the form of fresh or preliminary preservation, with post-harvest losses remaining too high at approximately 20 per cent. Thus, there remains room for Vietnamese enterprises to invest in developing processing technology and promoting exports when consumer demand in the world market increases, the Ministry of Industry and Trade (MoIT) said.

Large scale production and exhibitions

To better advertise Vietnamese processed fruits and vegetables to important markets such as the EU, Australia and China, Nguyen called for more investment from the State and relevant ministries and sectors, as well as greater efforts from enterprises.

"Top priority should be given to organising trade fairs and exhibitions to introduce Vietnamese processed fruits and vegetables to customers in imported markets.

"We can learn from Thailand, which held large-scale fruit and vegetable exhibitions in Beijing and Shanghai. During these events, witnessed by the State leaders, visitors could taste Thai durian for free. That is a good way to advertise the image and quality of products to customers," Nguyen told Viet Nam News.

Viet Nam expects to gain \$8-10 billion from shipping fruits and vegetables abroad, with revenue from processed products accounting for at least 30 per cent of the total by 2030.

To this end, Viet Nam hopes to attract investments in 50-60 fruit and vegetable processing establishments, building several modern groups and

enterprises with strong competitive capacity under a project recently approved by the Prime Minister.

The country needs to also invest heavily to improve processing ability, giving priority to processing key fruits and vegetables which have high values, setting up material zones, and developing markets for the products.

The project stresses the necessity of building processing and packaging facilities, storage warehouses and installing suitable equipment to reduce post-harvest losses.

All production facilities are expected to be well equipped by 2030.

Along with encouraging businesses to invest in food irradiation centres to ensure that products meet international standards, the country must also promote diversification among processed products.

Additionally, it is necessary to establish specialised fruit and vegetable cultivating areas that can provide five-six million tonnes of high-quality raw materials for processing by 2030.

Building links between processing localities and regions with sufficient capital, science, technology and marketing capabilities will also be targeted.

Meanwhile, attention will also be paid to strengthening the capacity of market research and forecasting, as well as updating information on trade policies of countries and markets.

According to the MoIT, the country is now home to 7,500 fruit and vegetable processing and preservation establishments and roughly 150 processing factories that feature modern technology lines.

5. Digital transformation helps Viettel Store achieve 40 per cent growth

Revenue of the Viettel Store system under Viettel Group posted a 40 per cent year-on-year increase, more than triple the average level of the telecom market and marking record growth after 15 years of operation.

The results were thanks to its digital transformation and customer-centric strategy. It is expected that its revenue this year would reach VND7.4 trillion (US\$326.4 million), increasing 56 per cent from the previous year.

Its data system at over 700 agents and 7,000 transaction branches nationwide was synchronised to improve customer care.

As one of the four pillars in its development strategy, logistics and e-commerce invested by Viettel to take the lead in retail trends in the new normal period, including omni-channel store model; restructuring

operations from physical stores; and enhancing the digital experience at stores and supermarkets.

Viettel Store system has been one of the retail chains with the highest sales in the high-end segment in the market. It has been ranked in the Top 10 most prestigious retail brands in Viet Nam voted by Vietnam Report and Vietnamnet online newspaper.

6. Land prices rise in suburban Ha Noi due to planning rumours

The Ha Noi property market is once again seeing a wave of increased land prices in suburban areas, thanks to rumours of some districts being developed under the model of "city within a city".

The first land price rise in those districts, including Dong Anh, Soc Son and Me Linh, happened in March after information came out about the Red River urban planning project.

The project is still in the planning phase and is expected to be approved at the end of this year. However, land prices are now increasing again in those districts because of a rumour on further developing these areas.

A piece of land near Dong Do Lake in Soc Son District is currently valued at VND12 million per sq.m, much higher than that the VND5 million evaluation last year, according to the local people.

Land prices in Minh Phu Commune of Soc Son District have increased by 30 per cent year on year. Land prices in Minh Tri Commune have surged to VND10-12 million per sq.m, up from VND7-8 million at the beginning of this year.

However, according to the local people, most of the land offered for sale in those villages is in protected forest areas. If buyers are not careful they will buy forest land and will not be able to build, the Vietnam News Agency reported.

The property market in Me Linh District has been frozen for a few years because of the development of 50 urban projects, invested by private capital. However, the project, over a total area of 1,905 hectares, has been suspended due to a lack of capital.

Based on the rumour of converting Me Linh District into a city, real estate brokerage centres have returned to Me Linh, pushing the price of land up by 30 to 40 per cent.

"Every time there is new information relating to the Red River urban plan, the land prices in those districts increase. Investors are interested in regional planning; if there is investment potential, they will visit the land areas and quickly make investment decisions", said Nguyen Nam, a real estate broker in Me Linh.

Meanwhile, Dong Anh District has always had a busy real estate market thanks to its location near inner-city districts. The district has promoted infrastructure development for many years. Thanks to the rumour of developing a 'city within the city', investors are paying more attention to land investment in Dong Anh, causing land prices in some communes like Vinh Ngoc, Hai Boi and Xuan Canh to see an increase of 15-20 per cent and even 40 per cent.

A representative of the Me Linh District Land Fund Development Centre said that the land prices in Dong Anh, Soc Son, Me Linh and Hoa Lac are increasing, but there have not been many successful transactions.

In the future, Me Linh District will enhance site clearances and build infrastructure to continue auctioning land plots in the district. The district will also publicise planning information and progress on infrastructure development projects, to prevent further rumours on land price and land speculation.

Regarding the rise in prices of land in those districts, the chairman of the Viet Nam Real Estate Brokers Association, Nguyen Van Dinh, said that due to low

property supply in the inner districts, investors tend to find investment chances in suburban districts like Soc Son, Dong Anh and Me Linh. Together with the rumours relating to the Red River urban planning, the land prices on those markets have been pushed up to a very high level.

However, few investors need long-term investments so land prices usually only increase for a while before falling back to their usual levels, according to Dinh.

Ha Noi plans to develop five suburban districts of Hoai Duc, Dong Anh, Thanh Tri, Gia Lam and Dan Phuong to become inner-city districts by 2025. With a large land fund, these districts will be key residential development regions in the future, according to Dinh.

In 2021, four districts, Hoai Duc, Dong Anh, Thanh Tri and Gia Lam, account for 30 per cent of apartment supply. This figure is expected to increase to 36 per cent by 2023.

"When the land fund in the inner city becomes limited, investors also tend to expand to the

suburban areas. In addition, improved infrastructure also contributes to promoting the tendency of people moving away from the city centre," said Do Thu Hang, Senior Director, Advisory Services, Savills Hanoi.

"When the future supply is in remote areas, it will bring more options in terms of location and price."

Experts also note that investors who want to buy real estate at present need to determine whether this is a long-term investment, especially in the areas of Dong Anh, Me Linh and Soc Son or suburban districts. Those areas are all waiting for planning and large projects to be implemented, while the transport infrastructure connecting to the inner city is still developing. Therefore, these investments will not be profitable quickly.

Before deciding to invest, buyers need to find out about planning projects and land prices. This will help them avoid buying land plots without legality and abandoned projects, according to the leader of Dong Anh District.

7. Golfing could boost recovery of tourism industry

As Việt Nam begins to tentatively welcome international tourists back to its shores, an increased emphasis on golf tourism could provide a well-needed boost to the beleaguered tourism industry after nearly two years of COVID-19 restrictions.

While Việt Nam has officially welcomed the first international tourists back, in phase one the overall guest experience will be limited. The question is; what can Việt Nam do to attract more foreign tourists?

More importantly, how can they be convinced to spend more, thereby contributing to the tourism industry that has been so heavily affected by the COVID-19 pandemic.

Golf tourism could be the answer. Việt Nam has many advantages that could help raise golf tourism in the country to the next level, though it is a fledgling part of the Vietnamese tourist market.

Hà Văn Siêu, Vice Chairman of Việt Nam's National Administration of Tourism, said that now the country decided to live with the pandemic, the tourism industry needs to find ways to open up and attract international visitors. Golf tourism has seen strong growth in recent years and Việt Nam has always been considered one of the best golf destinations in Asia.

"Golf tourism around the world has grown into a market that brings high revenue, creating jobs and opportunities for destinations around the world, including Việt Nam. This is a good opportunity for Vietnamese tourism to promote the image of an attractive and safe destination which is ready to welcome tourists back in the context of the new normal."

Việt Nam is considered to have some of the most beautiful golf courses in the world. The great potential of golf tourism is clear to see and has been recognised by international tourists, according to Siêu. Before the pandemic, those working in the tourism industry recognised the trend and took

steps to prepare and invest in golf courses. In 2019, golf tourism made a great contribution to the overall success of Việt Nam's tourism.

“Golfing will attract classy and environmentally friendly guests in the post-pandemic period. We need to promote and ensure big investments into golf tourism because this will be considered a safe type of tourism that avoids large crowds,” he added.

Việt Nam was named both Asia's and the World's Best Golf Destination 2021 at the eighth annual World Golf Awards held in Dubai, the United Arab Emirates.

It is the second year that Việt Nam has been honoured with the world title and the fifth consecutive year that the country has won the Asian title since 2017.

Despite the impact of COVID-19, a record amount of votes was collected this year.

The World Golf Awards celebrate and reward excellence in golf tourism through an annual awards programme, as part of the World Travel Awards.

The Việt Nam National Administration of Tourism was honoured as Asia's Leading Tourist Board 2021 at the 28th World Travel Awards, after receiving the title for the first time in 2017.

The WTA also honoured Việt Nam as Asia's Leading Sustainable Tourism Destination, and Hội An was named Asia's Leading Cultural City Destination. Hạ Long Bay was awarded Asia's Leading Tourist Attraction and Cúc Phương National Park as Asia's Leading National Park.

These are great conditions for Việt Nam to attract new development in golf tourism. In recent years, golf courses in Việt Nam have been developed in association with high-class and luxurious resorts along coasts, ideal conditions for attracting tourists.

Out of the first 200 international visitors who came to Phú Quốc, 30 came just to play golf. This is a fairly high rate that proves the golf tourism trend of the foreign market.

“The demand of international visitors for golf tourism is undeniable. Asian countries such as

Thailand, Malaysia and Japan have all focused on attracting this market.”

Thailand has built a brand and become a favourite destination for golfers from South Korea, Europe and America. Every year, the revenue of golf tourism in Thailand amounts to tens of billions of dollars, contributing to about 9 per cent of the country's GDP.

“We need to prepare a new mindset in the tourism sector to adapt safely and without fear. We believe that domestic and international tourism will reopen in the near future, with a safe route. People will be more confident in carrying out tourism activities. In the future, golf tourism in Việt Nam will develop, contributing to bringing tourists to Việt Nam and recovering the tourism industry after the COVID-19 pandemic,” he said.

Promote potentials and strengths

Nguyễn Văn Linh, Chairman of the Việt Nam Golf Tourism Association, agrees that Việt Nam has many advantages that should be exploited for the development of golf tourism, including a favourable geographical position, cultural and human potential, diversity of cuisine and potential for greater golf course infrastructure. Việt Nam's golf courses have a modern design, with luxurious, high-class service infrastructures that follow international standards of quality.

“Compared to a few years ago, the number of golfers in Việt Nam has increased sharply. With the current potential and demand, Việt Nam needs to have a plan to develop these products and services, turning Việt Nam into a bright spot in golf tourism around the world,” Linh said.

Việt Nam is trying to attract this group of tourists, although the numbers are not currently that high. According to statistics from the VNAT, in 2018 of more than 15 million international visitors to Việt Nam, less than one per cent played golf. Those that did were mainly guests from South Korea, Japan and other Southeast Asian countries.

Phạm Duy Nghĩa, Director of Vietfoot Travel said: “Việt Nam has 32 five-star international standard golf courses and 6,000 kilometres of coastline. We need to take the advantage to catch up with Thailand and Malaysia.

"However, I realise that Việt Nam does not yet have policies to facilitate the development of professional golf. In addition, there are no units involved to open package tours for tourists from South Korea and Japan. Thailand and Malaysia have good package tours, thanks to the involvement of the government, hotel supply system, restaurant and travel agency."

Sharing his ideas, Đỗ Việt Hùng, Deputy General Director of FLC, said the management agency should consider and support businesses to create more favourable conditions for international visitors.

"We think Việt Nam needs to license shorter golf tour packages of four days and three nights instead of the current seven days. In addition, we also need to adjust the price of golf tours competitively, compared with the general level of Southeast Asia," he said.

He also suggested redesigning the tours to attract international tourists. For example, the northeastern province of Quảng Ninh is currently

one of five localities eligible to welcome international guests. The province has the advantage of having three golf courses and world-famous landmarks.

To retain international guests during their seven-day stay, Quảng Ninh could combine a golf tour and a cruise to visit the bay. This could be a solution to the problem of retaining international customers.

According to estimates from the Việt Nam Golf Association, there are about 60 million people in the world who play golf. This is an attractive market for Việt Nam. On the other hand, the number of golfers in Việt Nam is low, at about 100,000 people, but this number is expected to increase.

The system of about 100 golf courses across the country has also been well invested. Quảng Ninh Province is one of the leading golf destinations in the country with an international-standard course system.

Corporate News

8. MSN: Masan honoured with Asia sustainability award

↑ 0.00%

Masan Group Corporation has obtained the Community Initiative Award at the 2021 Asia Corporate Excellence and Sustainability Awards.

The awards honour companies and individuals in Asia across a variety of leadership and corporate social responsibility categories, with the Community Initiative Award given to organisations that make great contributions to creating development opportunities for communities through their initiatives and approaches.

The winners are chosen based on growth, human resources, creativity, and brand influence in Asia and their commitment to sustainable development goals.

In its eighth year now, the award saw 154 finalists selected from 420 nominations from 15 countries.

Masan is known as the leading consumer goods and retail corporation in Vietnam with a market capitalisation of 8 billion USD. The company said it considers sustainable development as a strategy to make a meaningful contribution to the development of communities.

In 2020, the company spent over 30 billion VND (1.32 million USD) to community activities. It donated more than 270 billion VND to the fight against the COVID-19 pandemic in 2021./.

9. VJC: Vietjet seals two deals in Switzerland

↓ -1.89%

Budget airline Vietjet has inked a Memorandum of Understanding (MoU) worth US\$150 million with SR Technics, one of the world leading providers of Maintenance, Repair and Overhaul (MRO) services.

The signing ceremony on Friday was witnessed by Vietnamese President Nguyễn Xuân Phúc, Swiss President Guy Parmelin, high-ranking dignitaries, and business representatives of both countries during the official visit of the Vietnamese President to Switzerland.

The MoU will enable SR Technics to provide MRO services on Vietjet's CFM56-5B engines installed on their Airbus A320 and A321 fleet. The work on the engines will be carried out at SR Technics' world-renowned facilities at Zurich Airport in Switzerland.

It will also include providing engine maintenance, technical and training services, component requirements and repair, and setting up a new Aviation training centre as a joint venture between Vietjet and SR Technics.

SR Technics' CEO Jean-Marc Lenz said a long-term partnership between Vietjet and SR Technics confirmed the airline's confidence in SR Technics' ability and expertise to provide MRO services including engine maintenance and technical and training support in line with the highest benchmarks in the industry in terms of safety and quality.

Vietjet Managing Director Đinh Việt Phương said the MoU paved the way to further develop both sides' cooperation, which had been nourished by a long-standing relationship between Việt Nam and Switzerland.

The same day also saw a strategic co-operation agreement signed between Vietjet and Swiss AviationSoftware (Swiss-AS), one of the world's leading provider of aviation maintenance solutions based in Switzerland.

The agreement aims to further extend Vietjet's adoption of Swiss-AS's maintenance and

engineering solution AMOS to support Vietjet's fleet.

Under the agreement, the two parties will extend their co-operation to cover various scopes, strengthening the existing long-term strategic partnership over the next ten years. Swiss-AS and its relevant subsidiaries will provide Vietjet the added platform of AMOS mobile/EXEC for aircraft technical management on mobile devices, thus allowing Vietjet's engineers to work with full automation and digitalisation.

In addition, Vietjet will use the system with more capacity and update other AMOS modules to better serve in-house management including automation of planning, aircraft scheduling and budget management. Swiss-AS will also provide the AMOS "train the trainer" programme for Vietjet with notable frequency and scale in the future.

Fabiano Faccoli, Chief Operating Officer of Swiss-AS said his firm was looking forward to further

strengthening the excellent partnership and, through its AMOS product suite and services, be instrumental in digitalising Vietjet's Technical Operation.

"Swiss-AS shares Vietjet's customer-focused strategy and is keen to support Vietjet to further improve productivity and quality through innovation, technology and creativity," he said.

For his part, Vietjet Managing Director Đinh Việt Phương said he believed that the development and constant upgrade of AMOS will enhance Vietjet's capabilities in fleet operation and management, thus helping us serve our customers better while optimising the airline's operational cost."

Vietjet selected AMOS in 2012. With AMOS, Swiss-AS has supported Vietjet in fleet maintenance and optimisation for more than 90 aircraft with up to 1,150,000 hours of safe operation, with on-time performance reaching over 90 per cent and technical reliability standing at 99.64 per cent.

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