



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Shares rebound on banking stocks

Shares rebounded on Wednesday thanks to the recovery of large-caps and banking stocks towards the final minutes of trading.

The market benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) gained 0.46 per cent to end at 1,485.19 points.

It had lost 0.43 per cent to end Tuesday at 1,478.44 points.

The market's breadth was neutral with 223 stocks rising, while 236 slid.

Market liquidity declined compared to the previous session as investors poured over VND26.6 trillion (US\$1.17 billion) into the southern exchange, equivalent to a trading volume of 876 million shares.

The 30 biggest stocks tracker VN30-Index rose 0.79 per cent, to end at 1,549.81 points. Nineteen in the VN30 basket decreased, while 10 increased.

In the VN-30 basket, the best performers were Bao Viet Holdings (BVH), FPT Corporation (FPT), PetroVietnam Gas JSC (GAS), Hoa Phat Group (HPG), Masan Group (MSN), Novaland (NVL), Vingroup (VIC) and Viet Nam National Petroleum Group.

Banking stocks rebounded strongly and bolstered the market, with gainers including Sai Gon Thuong Tin Commercial Joint Stock Bank (STB), Sai Gon-Ha Noi Bank (SHB), Asia Commercial Bank (ACB),

Military Bank (MBB) and Vietinbank (CTG), VPBank (VPB), Techcombank (TCB), Tien Phong Bank (TPB) and Lien Viet Post Bank (LPB).

Of them, Tien Phong Bank hit the daily limit rise of 7 per cent, rising to VND48,250 per share. HDBank (HDB) increased by 5 per cent to VND32,000 per share.

According to financial news site cafef.vn, during this period investors should prioritise risk management and need to review the margin ratio and conduct portfolio restructuring to reduce this margin to avoid unexpected movements from the market.

Twelve out of 25 sectors on the market increased, including wholesale, real estate, healthcare, information and technology, banking, agriculture, oil and gas, food and beverage.

On the other side, losers were securities, logistics, seafood processing, rubber production and construction materials.

On the Ha Noi Stock Exchange (HNX), the HNX-Index lost 0.49 per cent to end Wednesday at 455.81 points.

The index had lost 0.55 per cent to end Tuesday at 458.05 points.

During the trading session, nearly 126.7 million shares were traded on HNX, worth nearly VND3.2 trillion.

## Macro & Policies

### 2. Viet Nam's 500 largest businesses in 2021 revealed

The Viet Nam Report JSC and online newspaper VietNamNet on November 30 revealed the 500 largest enterprises in Viet Nam (VNR500) and top 10 largest private companies this year.

On the VNR500 list are Samsung Electronics Thai Nguyen Company Limited, Viet Nam Electricity (EVN), Viet Nam Oil and Gas Group (PetroVietnam), Viettel Military Industry and Telecoms Group (Viettel), and Viet Nam National Petroleum Group (Petrolimex), among others.

The country's 10 largest private enterprises include Vingroup, Mobile World Investment Corporation, Doji Group, Hoa Phat Group JSC, and Masan Group Corporation.

General Director of the Viet Nam Report JSC Vu Dang Vinh said that in its 15 years, the VNR 500 has honoured "locomotives" of the Vietnamese economy that demonstrate their mettle and steadfastness.

It also promotes the brand of Vietnamese firms to investors at home and abroad and forges links with

leading entrepreneurs and scholars across the globe, he added.

The average return on asset (ROA) of the VNR500 enterprises inched down by 0.42 percentage points from 2020 to 5.31 per cent this year, and their average return on sales (ROS) saw a year-on-year decline of 0.43 percentage points to 6.15 per cent due to the severe impacts of the COVID-19 pandemic.

Meanwhile, the return on equity (ROE) marginally rose to 16.42 per cent from 16.24 per cent recorded last year.

The ROS in the State economic sector witnessed a 1.82 percentage point increase against the previous year.

Statistics of Viet Nam Report showed that 40.4 per cent of businesses maintained their growth momentum during 2019-2020 and the first nine months of this year.

In addition, 23.3 per cent of the firms have shown signs of recovery in January-September 2021.

### 3. Việt Nam's COVID vaccine developer stops third phase trial due to volunteers shortage

The third phase of clinical trials of Việt Nam's homemade COVID-19 vaccine COVIVAC have been halted, due to a shortage of volunteers.

The Institute of Vaccines and Medical Biologicals (IVAC) under the Ministry of Health said that they are struggling to find people to test the drugs because so many have already been vaccinated.

A representative from IVAC told online newspaper dantri.com.vn on Tuesday that the institute needs around 4,000 volunteers for the third phase to be conducted this month.

The representative said: "The coverage of the COVID-19 vaccine in Việt Nam is very high.

Therefore, we have difficulty recruiting volunteers who have not received the COVID-19 vaccine and meet the other criteria of the study. Volunteers from the same community are preferred as we can't recruit a few volunteers from different places."

This institute has been asked to seek out other options, including research on a booster vaccine dose for future use.

COVIVAC has been researched and developed by IVAC since May 2020. It is Việt Nam's second COVID-19 vaccine, following Nanocovax to enter the clinical trial phase.

The COVIVAC vaccine is a Newcastle vector vaccine (NDV), which binds the protein S expression gene of the SARS-CoV-2 virus, and is produced using embryonic chicken egg technology. This technology is also used to produce seasonal flu vaccines circulating in Việt Nam.

According to the report, in phase one, COVIVAC vaccine was tested on 120 people, aged 18-59 years old, distributed into four test groups, 25 people each with vaccine doses of 1µg (microgram), 3µg, 10µg

and 1µg + 1.5mg excipient CpG 1018, and the placebo group had 20 people injected with phosphate-buffered saline, pH=7.2.

As a result, all four vaccine dose groups had no adverse reactions to the vaccine. Regarding the immune response, all four different dose groups of COVIVAC vaccine had different levels of immune responses against SARS-CoV-2 neutralising antibodies and anti-S protein IgG antibodies.

#### 4. Frequency of domestic flights increases

The amount of domestic flights operating nationwide will increase from Wednesday, after a decision by the Ministry of Transport.

Deputy Minister of Transport Lê Anh Tuấn on Tuesday agreed to up the number of two-way flights on routes between Hà Nội – Đà Nẵng, Hà Nội – HCM City and Đà Nẵng – HCM City to 16 per day.

From December 15, flight frequency will increase further to 20 per day on those routes, and nine daily two-way flights on other routes.

The decision included conditions for passengers, such as proof of full vaccination or recovery from the COVID-19, and negative tests for coronavirus.

All passengers must also make health declarations.

The Civil Aviation Authority of Vietnam (CAAV) also announced that it completely agrees with the Health Ministry's proposal on the suspension of international flights to and from African countries, including South Africa, Botswana, Namibia, Zimbabwe, Eswatini, Lesotho and Mozambique due to the emergence of Omicron variant there.

The CAAV also agreed to halt the issuance of entry visa to passengers going to or arriving from these nations.

Flights carrying Vietnamese citizens home under the combination package plan must receive permission from the ministries of foreign affairs, health, transport, national defence, and public security.

#### 5. PM2.5 pollution still problematic across Việt Nam

Though the average PM2.5 concentration improved slightly in 2020, all provinces and cities in Việt Nam still had much higher levels than the WHO's recommendation, according to data revealed at a workshop held virtually on Tuesday.

In 2020, the areas with high PM2.5 concentration were mainly in the Red River Delta, the north central region and the southeast region, according to the findings from a report on the state of PM2.5 in Việt Nam during the 2019-20 period.

The report is based on multisource data and is conducted by the University of Engineering and Technology under the Vietnam National University

in Hà Nội (VNU-UET) and Live & Learn for Environment and Community.

"The improved air pollution nationwide in 2020 was due in part to the social distancing due to the COVID-19 pandemic," said Associate Professor and Doctor Nguyễn Thị Nhật Thanh, from VNU-UET, an author of the report.

Data in 2018 showed that major sources of PM2.5 pollution in Việt Nam came from burning agricultural by-products (40 per cent), cooking (17 per cent), transport (13 per cent), forest fires (12.7 per cent) and industrial activities (11 per cent), and thermal power (3.3 per cent).

In Hà Nội, 48.3 per cent of the PM2.5 pollution was caused by industrial and craft village activities, 21.3 per cent from transport and 20.2 from burning agricultural by-products.

In HCM City, 58.2 per cent of the pollution came from transport, 22.8 per cent from industrial activities and 12.8 per cent from cooking.

In 2020, Việt Nam had 10 out of 63 provinces and cities with higher PM2.5 concentration levels than the national mandated threshold. These 10 localities are all in the north including Hà Nội with PM2.5 level at 29  $\mu\text{g}/\text{m}^3$  and Bắc Ninh Province at 33  $\mu\text{g}/\text{m}^3$ , much higher than the national allowed threshold of 25  $\mu\text{g}/\text{m}^3$  and WHO's guideline of 5  $\mu\text{g}/\text{m}^3$ .

In 2019, the number was 13 localities, of which 11 were in the north and the rest were in the south.

Data crucial for air quality control

In the past few years, the state of PM2.5 in Việt Nam has been studied and published in reports and scientific journals by researchers from government agencies, universities, institutes, and social organisations.

However, the data used in these reports are often limited in terms of timespan or geographical coverage and have not utilised open-source data, including data from satellites, and citizen science monitoring networks.

“Our report provides comprehensive information on the spatial and temporal distributions of air pollution due to PM2.5 in Việt Nam. The findings from the report will be a supplemental source of

data, helping provinces and cities to develop air quality management plans,” said Thanh.

Hoàng Dương Tùng from Vietnam Clean Air Partnership said: “It is crucial to promote research to identify the sources of PM2.5 pollution and other air pollutants, especially in provinces and cities heavily polluted by PM2.5.”

“The findings from these reports will help authorities to determine priority plans to manage the air quality,” he said.

The workshop “State of PM2.5 in Việt Nam during 2019-2020 based on multisource data and application of satellite technology in air pollution monitoring and research” was held by Live & Learn for Environment and Community (Live&Learn/USAID), University of Engineering and Technology under the Việt Nam National University in Hà Nội, Việt Nam Clean Air Partnership and Tia Sáng Magazine.

Việt Nam is ranked 115th in air quality that measured household solid fuel use and PM2.5 average exposure in the biennial Environmental Performance Index compiled by scientists at American universities Yale and Columbia.

According to the World Health Organization, air pollution is one of the greatest environmental risks to health. By reducing air pollution levels, countries can reduce the burden of disease from stroke, heart disease, lung cancer, and both chronic and acute respiratory diseases, including asthma.

The organisation estimated that in Việt Nam, around 60,000 deaths each year are air pollution-related.

## 6. Hoa Phat starts construction of home appliance production plant in Ha Nam Province

Hoa Phat Home Appliance Joint Stock Company on Tuesday started construction on the first home appliance production plant in Hoa Mac Industrial Park in the northern province of Ha Nam.

The plant is expected to complete construction within five months.

Covering an area of 14 hectares, the plant would produce air coolers, water purifiers and air purifiers with a capacity of about one million products a year. The Hoa Phat Home Appliance Joint Stock Company – a member of Hoa Phat Group – has made big investment in production lines from the very beginning to produce high quality products with modern, diversified designs and competitive prices.



Earlier, Hoa Phat established the company, making a large and methodical investment in the home appliance industry on the basis of its 20 years of experience in developing the refrigeration industry. This is a step to anticipate the wave of production shifting from China to Viet Nam. The company aims to become the largest household appliance manufacturer in Viet Nam with a revenue of US\$1 billion a year from this segment by 2030.

In addition to rapid deployment of new factories, the group gives priority to the research and development of high-quality refrigeration and household products that meet international standards to promote exports.

## 7. PM chairs meeting on national digital transformation

Digital transformation has been and will be playing a crucial role in economic recovery, virus containment, global integration and Viet Nam's standing in the international community, said Prime Minister Pham Minh Chinh during a videoconference discussing the country's digital transformation process.

Minister of Information and Communications Nguyen Manh Hung said the Government is to lead the way with investment in research and development and new policies to create a market for digital business activities.

"In a fast-changing and hard-to-predict world, our best move is to invest in small gains that are part of a long-term vision for the future," said the minister.

The country has set a target to become one of the top 30 countries in the world in digital access with the vast majority of its population to gain access to mobile devices and the internet in the near future.

To Lam, minister of public security, said his ministry has nearly completed the digital national citizen ID database, a cornerstone for the next steps of the digital transformation process.

Governor of the State Bank of Vietnam Nguyen Thi Hong said investments in digital transformation projects have reached VND15 trillion (US\$661 million) annually. Up to 90 per cent of the country's banks have established and operated their own digital banking systems.

Agriculture is to benefit enormously from the process, according to Minister of Agriculture and Rural Development Le Minh Hoan.

"It's high time for the country to start collecting, analysing and managing agricultural data. The ministry's 5-year plan for 2021-25 will introduce digital categories including digital agricultural villages and farmers," Hoan said.

A representative from the northern province of Quang Ninh, one of the front runners in digital transformation among localities in Viet Nam, said it's time for the country to offer more incentives to attract and encourage skilled workers to join the effort.

Speaking at the videoconference, the PM said digital transformation is the next step of the country's socio-economic development and therefore requires the whole political apparatus to move in the same direction. The process's focal point is to support the population and the economy with sound strategies and policies to deliver benefits to all.

"The three pillars of the transformation process are digital government, digital economy and digital society with an emphasis on a robust relationship between the public and the private sector," said the PM.

He instructed ministries and agencies to build decrees related to digital transformation, including electronic identification to protect personal data, regulations on the management and operation of the national database on population, among others, to submit to the Government.

The PM hailed ministries, agencies and localities for their achievements in digital transformation, especially in three pillars of digital government, digital economy and digital society. At the same time, the PM pointed to outstanding shortcomings in the field, such as a low ranking in terms of e-

Government, the incomplete legal environment for e-Government and slow progress of building national and specialised databases.

Viet Nam is among some of the first countries to issue national guidelines and strategies on digital transformation. The country was named the top

riser in East Asia and the Pacific in the 2021 rankings compiled by the European Center for Digital Competitiveness during 2018-2020.

Between 2022 and 2025, the Government set the goal of meeting 53 criteria for digital government, digital economy and digital society.

## Corporate News

### 8. VIC: Vingroup tapping global investors for car unit's \$1 bln funding: sources

↑ 0.95%

The fundraising exercise comes as VinFast, Vingroup's automobile arm, is betting big on the U.S. market, where it hopes that its electric SUVs and a battery leasing model will be enough to woo consumers away from the likes of Tesla and General Motors.

If successful, it is likely to end up as Vietnam's largest private fundraising, underscoring heightened investor interest in Southeast Asia, a region where ride-hailing and delivery giants Grab and GoTo have raised billions of dollars.

The fundraising move also shows electric vehicle projects remain a major draw for investors.

"Electric vehicles are the topic of the year and there's huge investor interest," said one of the sources.

Vingroup is in discussions for the fundraising ahead of VinFast's potential U.S. listing that could take place as early as next year, said the sources, who declined to be identified as negotiations are still ongoing.

They said the company could finalize the private fundraising deal as early as next month. Vingroup is also in talks with global private equity firms.

The sources said Vingroup is in advanced talks with Qatar Investment Authority (QIA), the country's \$300 billion sovereign wealth fund, which has been diversifying its investments from its core European and U.S. markets towards Asia.

BlackRock is the world's largest asset manager.

Vingroup declined to comment while there was no response from QIA. BlackRock did not immediately respond to a request for comment.

VinFast plans a U.S. listing within the next couple of years, its chief executive told Reuters earlier this month, aiming to join a growing list of electric vehicle startups that have taken advantage of investor enthusiasm and raised money.

Two sources told Reuters that VinFast was sticking to a previous plan of either listing via a special purpose acquisition company (SPAC) or making a standalone listing.

VinFast, established in 2017 as part of Vingroup, plans to start producing electric cars in the United States in the second half of 2024. It unveiled two electric sport utility vehicles, VF e35 and VF e36, at the Los Angeles Auto Show this month.

### 9. PAN: BOD resolution on share buyback

↓ -0.12%

The Board resolution dated November 23, 2021, the BOD of The PAN Group Joint Stock Company approved the repurchase of ESOP shares from the employees resigned. Details are as follows:

- Repurchase volume: 32,250 shares
- Purpose: to repurchase shares as treasury shares

- Trading method: put through
- Purchase price: according to the issuance price
- Time of implementation: expected in Quarter IV/2021 or Quarter I/2022, after being approved by the State Securities Commission of Vietnam (SSC).



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