



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Shares climb on the back of financial-banking stocks

Vietnamese stock markets ended Wednesday on a positive note, largely led by gains in financial shares and heavy-weight stocks.

On the Ho Chi Minh Stock Exchange (HoSE), the market benchmark VN-Index gained 0.42 per cent to end at 1,452.87 points.

It had gained 2.35 per cent to end Tuesday at 1,446.77 points.

The market's breadth was neutral with 207 gainers and 222 losers.

As many as 771 million shares were traded on the southern bourse, worth nearly VND21.6 trillion (US\$941.8 million).

The VN30-Index, tracking the 30 biggest stocks on HoSE, gained 0.23 per cent to end at 1,516.16 points. Nineteen out of 30 stocks in the VN30 basket posted gains while 10 declined.

According to financial news site cafef.vn, Tuesday's large increase was lessened Wednesday as investors feared being caught in a bull trap, thereby resulting in lower buying demand as sellers were forced to lower stock prices.

A drop of investor confidence hit eight of the 25 industries on the stock market, including insurance, information and technology, seafood processing, construction materials and food and beverage.

On the other side, strong cash flow poured into the market still supported other sectors including wholesale, real estate, securities, retail, healthcare,

oil and gas, banking, agriculture, rubber processing and logistics.

Notably, the financial banking group outperformed and supported the gains of the market with notable gainers including Vietinbank (CTG), Tien Phong Bank (TPB), VPBank (VPB), Vietcombank (VCB), Military Bank (MBB), Sacombank (STB), Eximbank (EIB) and Bank for Investment and Development of Vietnam (BID).

The steel industry experienced a negative trading day with notable industry-representative stocks such as Hoa Phat Group (HPG), Hoa Sen Group (HSG) and Nam Kim Group (NKG) all dropped. Since their peak in October 2021, these stocks all dropped by 18-32 per cent.

The largest-cap stock on the stock exchange, Vingroup (VIC), saw a sharp drop of 2.81 per cent and thereby dragged the VN-Index down nearly 2.66 points.

Along with Vingroup (VIC), the other two leading real estate stocks, Vinhomes (VHM) and Novaland (NVL), lost 0.74 per cent and 0.71 per cent, respectively.

On the Ha Noi Stock Exchange (HNX), the HNX-Index rose 0.75 per cent, to 449.74 points.

It had risen 2.42 per cent, to end Tuesday at 446.41 points.

During the session, investors poured over VND3.15 trillion into the market, equivalent to a trading volume of 121.2 million shares.

## Macro & Policies

### 2. Viet Nam hits 2021 garment export target

Viet Nam's textile and garment export value this year is estimated at US\$39 billion, up 11.2 per cent year-on-year, according to an official from the Viet Nam Textile and Apparel Association (VITAS).

VITAS General Secretary Truong Van Cam said the textile and garment industry had overcome many difficulties due to the COVID-19 pandemic, especially in the third quarter, to maintain export growth over the whole year, at a press conference in Ha Noi on Tuesday.

"This is a great effort of the textile and garment industry in the context of the pandemic heavily affecting the economy both at home and abroad," he said.

"Amid difficulties caused by the pandemic, the association has connected domestic enterprises with each other and with foreign-invested enterprises to form supply chains and expand export markets.

"It has also connected local businesses with international organisations and textile associations of other countries to support them with experts and funding for training courses on technique, design, sales and branding.

"The association has acted as a bridge between textile and garment enterprises and the Government as well as State management agencies to solve problems relating to policies, administrative procedures, specialised inspection, tax, customs, wage labour and insurance."

In addition, he said VITAS had participated in developing policies to support and facilitate businesses in doing business. It had also been a member of a Government delegation to join negotiation rounds in free trade agreements.

For next year, Cam said that the pandemic was expected to have a complicated and unpredictable development throughout the world and Viet Nam.

However, major markets such as the US and the European Union have reopened while Viet Nam has brought the pandemic under control and is also recovering economic development. Many textile and garment enterprises have had orders to produce until the second quarter of 2022.

Therefore, the association has three development scenarios for 2022, he said. The most positive will see a textile and garment export value of US\$42.5-43.5 billion for the whole year, if the pandemic is controlled well in the first quarter of 2022.

In the second, the industry estimates an export value at US\$40-41 billion, if the COVID-19 is controlled by the middle of the year.

The worst scenario is that it makes US\$38-39 billion in export value, if the disease is complicated until the end of 2022.

The association also said that a conference on reviewing production and business in 2021 will be held on December 17, 2021 in online and offline forms in Ha Noi, Da Nang and HCM City.

The event aims to evaluate the activities of the industry and the association in 2021 and point out the necessary work and solutions that member businesses and associations need to do in textile and garment development strategy in the period 2020-2025.

A seminar on the impact of the fourth outbreak of the COVID-19 on textile enterprises and workers will also be held.

The seminar will cover climate change in the fashion industry, sustainable trade, the green transformation of the textile dyeing industry, world textile markets consumption trends and change in production and fashion in the context of the pandemic.

### 3. Transport ministry seeks resumption of regular int'l flights from Dec 15, end to quarantine for vaccinated passengers

The Ministry of Transport has submitted to the Prime Minister a plan on the pilot resumption of regular international flights carrying passengers to Việt Nam from December 15, in anticipation of a year-end surge in travel demand.

The first phase will last for two weeks, starting on December 15, during which regular flights between Việt Nam and destinations with a high level of pandemic safety and high demand for entry into Việt Nam will be conducted, namely Beijing (China), Tokyo (Japan), Seoul (the Republic of Korea), Taipei (Taiwan, China), Bangkok (Thailand), Singapore, Vientiane (Laos), Phnom Penh (Cambodia), and San Francisco or Los Angeles (the US).

The flights in this phase will connect with the international airports of Nội Bài (in Hà Nội) and Tân Sơn Nhất (in HCM City). There will be four flights per week on every way for each side. About 14,000 passengers are expected to arrive in Việt Nam every week.

Meanwhile, the second phase will last for a month after the first one concludes, starting in January 2022.

Apart from the nine abovementioned destinations, the transport ministry also proposed regular flights linking with Kuala Lumpur (Malaysia), Hong Kong (China), Paris (France), Frankfurt (Germany), Sydney (Australia), and Moscow (Russia).

In addition to Nội Bài and Tân Sơn Nhất, the international airports of Đà Nẵng, Cam Ranh (in Khánh Hoà), Phú Quốc (in Kiên Giang), and Vân Đồn (in Quảng Ninh) are also proposed to host those flights in the second phase. The frequency will be raised to seven flights per week on every way for each side. The weekly number of passengers entering Việt Nam is estimated at some 40,000.

The transport ministry said to ensure the plan's feasibility, it is necessary to gradually lift quarantine rules on passengers who have been fully vaccinated against COVID-19 or have recovered from the

disease, and have a negative result of rapid antigen or RT-PCR tests within 72 hours prior to their flights.

In addition, the resumption of international flights can only be carried out based on the reciprocity principle and mutual recognition of the "vaccine passport," which the transport ministry is urging the foreign affairs ministry to expedite, especially with countries in the two pilot phases.

The Ministry of Health, Ministry of Public Security, and the Ministry of Information and Communications should work together and agree on a single unified COVID-19 app that passengers will have to install on their devices for medical declaration and contact tracing efforts.

The transport ministry cited the Ministry of Foreign Affairs as saying that Vietnamese citizens' demand for returning home is now on the rise, especially when the New Year and Tết (Lunar New Year) holidays are approaching. Besides, there is also a large number of foreigners planning to go to the country for work, investment, business, and tourism purposes.

Given this, it is necessary to soon resume regular international flights carrying passengers to Việt Nam, according to the transport ministry.

The ministry also noted that in a meeting with airlines in late November, they all said they are more than prepared and ready to restart regular international flights.

Việt Nam, with a population of about 100 million people, has to date administered 128.6 million COVID-19 vaccine doses, with 55 million people double vaccinated.

#### 4. Trade remedy cases increase

The number of trade remedy cases initiated by foreign countries and territories against Vietnamese exported goods is increasing rapidly, according to Le Trieu Dung, director of the Trade Remedies Authority of Viet Nam.

The total number of cases was about 20 cases before 2005, but now has increased to 208 cases.

Being investigated by foreign countries and applied trade remedies will have a negative impact on enterprises as well as the domestic manufacturing industry.

Moreover, if exported goods are subject to a high level of trade remedy tax, it will reduce competitive advantage, leading to the loss of the export market.

Viet Nam has signed, implemented and is negotiating 17 FTAs, of which 14 have been put into practice. The Regional Comprehensive Economic Partnership (RCEP) Agreement will be added early next year.

This means for the import of a wide variety of goods it will be more convenient to enter Viet Nam, and import taxes are also gradually being reduced depending on commitments in each FTA.

Dung said that trade defence tools were considered a "lifesaver" to protect the domestic manufacturing industry against acts of unfair competition of imported goods, such as dumping or receiving governmental subsidies.

In order to avoid damage from trade remedies for export goods, Dung said that in addition to active work by the management agency, the proactive response of enterprises would be decisive.

In order to help businesses deal with trade remedy cases, Dung said that the Trade Remedies Authority had always maintained communication channels with trade remedy investigation agencies in many countries, as well as overseas Vietnamese representative agencies, associations and businesses to promptly update cases.

In addition, the authority has supported Vietnamese enterprises to express their views against unfounded arguments, violating WTO regulations of plaintiffs or foreign investigation agencies; as well as provide accurate, complete and timely information on the basis of the investigation agency's requests to the Government.

Currently, the authority is implementing an early warning system for many industries and products at risk of being subject to trade remedy lawsuits in different markets.

To avoid the risks of trade remedy lawsuits, Dung pointed out that businesses needed to improve their response capacity.

He also emphasised that businesses must understand the rules of the game and strictly comply with WTO regulations.

#### 5. Sugarcane sector eyes prosperous year

The Viet Nam Sugar and Sugarcane Association forecasts that the 2021-22 crop year will be a prosperous year for the domestic sugar industry thanks to efforts to control smuggling and anti-smuggling and anti-subsidy duties imposed on sugar imported from Thailand.

In recent days, the domestic sugar price has increased in Phung Hiep District in the Mekong Delta

province of Hau Giang, which has the largest sugarcane growing area in the region.

The domestic wholesale price of sugar is currently more than VND20,000 (US\$0.9) per kg, the highest price in the past five years.

Tran Cong Thuan, a sugar trader in the Mekong Delta, said the retail price of granulated sugar ranges



from VND21,000-22,000 per kg, and in supermarkets from VND23,000-25,000 per kg.

Prices have risen for various reasons. The global sugar price level rose sharply to \$560 per tonne, nearly \$100 higher than last year. In addition, the Ministry of Industry and Trade decided to impose anti-dumping and anti-subsidy duties on refined and raw sugar imported from Thailand after a surge in imports in 2020 hurt the local sugar industry.

Still, domestic sugar prices will be affected by smuggled sugar, especially as anti-dumping duties will create a significant gap in prices between imported sugar and smuggled sugar.

The number of smuggling incidents in the early months of 2021 reduced considerably as strong measures were taken to control border areas in an effort to prevent COVID-19 from spreading.

The purchase price of raw sugarcane increased sharply in recent years, from 900,000 to VND1.1 million per tonne, and is expected to increase to VND1.2 million per tonne in the 2021-2022 crop, experts said.

However, Hau Giang Province has also seen unstable prices and the cultivation area under sugarcane shrink over the years.

It only has one sugar factory which does not process sugarcane by-products, so the crop has low added value.

Nguyen Quoc Toan, director of the Department of Agricultural Product Processing and Market Development, said businesses and farmers needed to link up, and research institutes should work with businesses to improve sugarcane quality and decrease production costs.

Businesses should invest more in processing technology and innovation, he said.

Nguyen Van Loc, general secretary of the Viet Nam Sugar and Sugarcane Association, said it was important to have a stable sugar market with prices that allow sugarcane farmers to earn similar incomes as from other crops.

Provinces also need to improve their ability to adapt to climate change, he said.

## 6. Hà Nội mulls inner-city motorbike ban in inner districts from 2025

The municipal authority of Hà Nội is considering a ban on motorbikes in inner-city districts from 2025.

The proposal was made at a meeting of the Hà Nội Council on reviewing a project on road vehicle management, traffic congestion and environmental pollution reduction in the period of 2017 to 2020.

The proposal will see motorbike use stopped in inner city districts within the range of Ring Road 3 and Trường Sa, Hoàng Sa and National Highway 5 roads back to the city centre.

If approved, the ban will come into effect five years earlier than scheduled.

The city continues to push solutions for traffic congestion and pollution control in the central areas with implementation of two key projects on toll

collection from motor vehicles in areas with high traffic congestion and environmental pollution.

Zoning will limit motorbike using in accordance with the city's infrastructure and the service capacity of the public passenger transport system, towards the cessation of motorbikes by 2030.

Accordingly, the city will continue to study and complete procedures to approve the project on zoning to limit motorcycle activity.

The Hà Nội People's Committee has proposed the municipal council approve a plan of spending VNĐ1.8 trillion (more than US\$77.6 million) to solve traffic jams by 2025.

The proposal was made in the context of the city People's Committee and relevant departments

completing a target programme on reducing congestion and ensuring traffic safety in 2016-2020.

Evaluating the results of the programme, Dương Đức Tuấn, vice chairman of Hà Nội People's Committee, said that the proportion of land area for traffic had increased from 8.65 per cent in 2015 to 10.07 per cent in 2020, and the rate of public passenger transport increased from 11 per cent to 17.03 per cent.

In the past 5 years, the city had handled 67 traffic jams spots. And the traffic accidents in the city had reduced every year, said Tuấn.

However, there were many shortcomings in transport infrastructure, including low investment in transport development, low rates of land for traffic and public passenger transport and modest application of science and technology in traffic management, with many spots of traffic congestion and a high rate of traffic accidents, Tuấn said.

Thus, the city had to continue reducing congestion and ensuring traffic safety in the 2021-2025 period, the vice chairman said.

Accordingly, the priority for the period include handling from seven to ten black spots of traffic jams and limiting new spots, stopping 30-minute long congestion, wiping out black spots of traffic accidents and reducing traffic accidents by 5-10 per cent annually, he said.

Nguyễn Nguyên Quân, head of the urban division of Hà Nội Council, said a budget of VNĐ1.8 trillion will be spent on key works upgrading 180 roads and streets in 12 districts with over VNĐ560 billion; installing 168 traffic signal lights and adjusting traffic in 46 routes and intersections with VNĐ419 billion; repairing roads and main routes with VNĐ404 billion; building steel bridges over Tô Lịch, Kim Ngưu, Lừ, Sét and Nhệu rivers with VNĐ25 billion; and widening roads with VNĐ225 billion.

The city will further implement emission measurements on old motorbikes as a basis for researching and proposing solutions to improving air quality.

The city will submit a plan for approval on road motor vehicle toll collection in areas at risk of traffic jams and environmental pollution, Quân said.

## 7. PV Power pulls out of Ca Na LNG power plant bid

PetroVietnam Power Corporation has withdrawn from a consortium that is set to tender for the first phase of the Ca Na liquefied natural gas-fired power plant in Ninh Thuan Province.

It said cryptically it was withdrawing from the project to “create a better opportunity for the consortium to continue with the project.”

The remaining members of the consortium are Total Gaz Electricite Holding France, Novatek Gas & Power Asia, Siemens Energy AG and Zarubezhneft JSC

The plant will have a total capacity of 6,000 megawatts, 1,500 MW in the first phase, and cost VNĐ49 trillion (US\$2.14 billion).

It has also attracted the interest of a Korean consortium comprising Hanwha Energy Corporation, Korea Gas Corporation, and Korea Southern Power; Gulf MP Company Limited; Jera Company Inc; and the Trung Nam Construction Investment Corporation.

It will include a 1,500MW combined cycle gas turbine LNG power plant, a port to receive the LNG with an annual capacity of 4.8 million tonnes, four LNG storage tanks with a capacity of 180,000 cubic metres each, and a regasification depot.

The first phase will see the completion of the LNG storage infrastructure.

## Corporate News

### 8. KBC: Board resolution on issuing new shares

↑ 4.13%

On December 06, the Board of Directors of Kinh Bac City Development Holding Corporation approved to implement the plan for issuing shares to raise capital from the owner's equity as follows:

- Outstanding volume: 569,760,189 shares
- Estimated issue volume: 189,920,063 shares
- Issue ratio: 33.33% of the outstanding volume.
- Exercise ratio: 3:1
- Object of the issuance: existing shareholders
- Plan to deal with fractional shares: The shares newly issued to shareholders will be rounded down to units. The fractional shares (if any) will be cancelled.
- Issue time: in Quarter IV of 2021 to Quarter I of 2022.
- All newly-issued shares will be registered to deposit at the Vietnam Securities Depository and list on the Hochiminh Stock Exchange.

### 9. CTG: VietinBank to pay US\$164 mln in cash dividend

↑ 0.92%

Accordingly, after provisioning more than VND3.7 trillion, the bank will spend over VND3.8 trillion to pay cash dividend at a rate of 8 per cent, meaning a shareholder owning a share will receive VND800.

The rate increased by 3 percentage points compared to the plan previously approved at the annual meeting, with the total cash dividend rising by about VND1.44 trillion.

With the remaining of VND5.67 trillion, VietinBank will pay stock dividends to increase its charter capital.

It will close the list of shareholders on December 15 and is expected to pay in mid-January 2022. The State Bank of Viet Nam currently owns 64.46 per cent of VietinBank shares, so will receive approximately VND2.48 trillion.

Earlier in July, VietinBank issued more than 1.08 million shares to pay a dividend at the rate of 29 per cent. The source of issuance was from retained earnings after provisioning and paying cash dividends in 2017, 2018 and 2019.

The bank's shares ended Monday at VND32,100 a share, down 2.73 per cent.



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