



VIETNAM DAILY NEWS

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Market Analysis

1. Rising selling pressure weighs on market

The market finished lower during Monday's trade, weighed by profit-taking activities across all sectors.

The benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) lost 43.18 points, or 2.89 per cent, to 1,452.84 points. This marked the biggest daily loss since August 20.

The index extended losses in the afternoon session due to rising selling force. It fell 3.44 points in the morning trade.

The market's breadth was negative with 446 stocks decreasing, while only 49 stocks rose.

Meanwhile, liquidity on two main exchanges surged compared to the last trading session with a trading value of VND34.59 trillion (US\$1.52 billion). Of which, the trading value on HoSE climbed 39 per cent to nearly VND29.2 trillion.

The index's downtrend was driven by the losses of stocks across all sectors, with many large-cap stocks hitting the maximum daily loss of 7 per cent.

The VN30-Index, tracking 30 biggest stocks on HoSE, dropped 44.96 points, or 2.95 per cent, to 1,478.61 points. Of the VN30 basket, 29 stocks declined, while only one increased.

Vinhomes (VHM) led the market's trend yesterday, down 3.77 per cent in capitalisation. It was followed by Viet Nam Rubber Group (GVR), VPBank (VPB), Vingroup (VIC) and Hoa Phat Group (HPG), which posted losses of at least 3.35 per cent. GVR even hit the biggest intraday loss of 7 per cent.

Other big stocks that witnessed a maximum daily loss were Vincom Retail (VRE), Becamex (BCM), Development Investment Construction JSC (DIG) and SSI Securities Corporation (SSI).

On the contrary, strong gains of Vietcombank (VCB) was the only bright spot of the market on Monday. The bank stock was up 3.36 per cent.

The HNX-Index on the Ha Noi Stock Exchange (HNX) also edged down 21.52 points, or 4.61 per cent, to 445.34 points.

During the session, investors poured over VND4 trillion into the northern market, equivalent to a trading volume of 137.1 million shares.

However, foreign investors was net buyers on the market, with a total net value of VND159.63 billion. Of which they net bought a value of VND201.16 billion on HoSE, while they net sold a value of VND41.53 billion on HNX.

Macro & Policies

2. Govt' to slash VAT from 10% to 8% in 2022

The Government is considering slashing VAT to 8 per cent from 10 per cent for a large number of businesses in 2022, starting from February. The move has been said to amount to a VND49.4 trillion (US\$2.17 billion) tax break for businesses, nearly three times the tax cut they received throughout 2021, according to finance minister Ho Duc Phoc.

Phoc said the Government favoured VAT reduction over income tax reduction because a VAT cut will help all businesses, not just those who reported profit.

According to the minister, a majority of firms would be eligible for the VAT cut with the exceptions of firms in the fields of telecommunications, banking and finance, property development, mining and metallurgy, refinery and petrochemicals, among others.

Products and services that were not required to pay VAT tax or at 5 per VAT tax or under special VAT tax are not affected by the cut.

According to a proposal put forward by the Ministry of Finance, firms may even include expenses incurred in their efforts to prevent the spread of the novel coronavirus in income tax forms.

Economists and firms have voiced their concern over how a 2 per cent reduction in VAT may not be

able to produce the intended effect to boost consumption and business activities in 2022. Others lamented over the date on which the cut will take effect February 1, saying it's a missed opportunity to give consumption a massive boost right before the Lunar New Year.

Addressing said concerns, minister Phoc said the Government still has to balance its budget and a tax cut greater than 2 per cent would put this year's fiscal policy under great pressure.

While the cut this year covered more products and services, it is smaller than last year tax cut at 3 per cent VAT but only included transportation, travel and food and beverages.

Commenting on a proposal to increase tax on stock market exchanges, the minister said the Government currently has no plan to levy additional taxes.

"In 2021, the stock market's capitalisation reached VND7.7 quadrillion, equivalent to 92.5 per cent of total GDP. It has been an effective platform to secure investment for the economy," he said.

However, the Government has been considering stricter bond regulations for firms, especially those that cannot produce collateral.

3. More capital flows come to economic, industrial parks in 2021

Economic and industrial parks nationwide drew 539 foreign-invested and 615 domestic projects with a total registered capital of US\$12.8 billion last year despite the COVID-19 pandemic, up 15 per cent annually, reported the Ministry of Planning and Investment (MPI).

The additional capital reached VNĐ236.2 trillion (\$10.3 billion), equivalent to that in 2020.

The ministry's Department of Economic Zones said as of late 2021, the country was home to 564 IPs under planning with a total area of 211,700ha, 398

established IPs covering 123,500ha, 292 of them have been put into operation and 108 are under construction.

Among 292 IPs under operation, 265 have been equipped with concentrated wastewater treatment plants capable of processing a maximum of 1.24 million cu.m each day, or 91 per cent – meeting the target assigned by the National Assembly. The occupancy rate at IPs reached 52.5 per cent while that in the operational ones was nearly 71 per cent.

At present, there are 18 coastal economic zones in 17 cities and provinces with total land and water surface area of 871,500ha.

So far, IPs and economic zones have attracted 10,331 foreign and 10,288 domestic projects worth \$231.6 billion and VNĐ2.54 quadrillion (\$11.04 billion), respectively. The disbursed capital reached around 69 per cent and 46.5 per cent of the total registered capital.

The department also reported that the Prime Minister approved the construction, expansion and adjustment of infrastructure in IPs with a total area of roughly 11,231ha last year. As many as 17 IPs in the northern provinces of Bắc Giang, Vĩnh Phúc, Thái Bình, Hải Dương, Hưng Yên and Thái Nguyên covering 4,151ha have been approved by the PM for additional planning.

Due to the pandemic, the total revenue of IPs and economic zones neared \$182 billion last year, down 27 per cent year-on-year. They earned some \$132 billion from exports, or 59 per cent of the country's total, down 11 per cent annually, and contributed approximately VNĐ121 trillion to the State budget, down 7.5 per cent.

Deputy Minister of Planning and Investment Nguyễn Thị Bích Ngọc said the Government, ministries, agencies and localities have adopted measures to cut input costs incurred by firms in IPs while accelerating vaccination and taking flexible pandemic prevention and control measures.

A number of initiatives have been launched in IPs, hi-tech and industrial clusters, such as “three on-site”, “one route – two destinations” to fill orders, seek the supply of materials and cut operating costs.

Former Director of the MPI's Foreign Investment Agency Phan Hữu Thắng suggested the Government issue policies to draw large-scale projects to IPs, thus forming large-scale production clusters with high connectivity between firms in IPs and economic zones, and between domestic and foreign enterprises.

In particular, further attention should be paid to ecological, industrial-urban-service, support, hi-tech agriculture IPs with synchronous infrastructure, making it easier to lure quality capital, he added.

4. No credit granted to four Thu Thiem land auction winners

Commercial banks did not grant credit to four real estate businesses that won the auction of land use rights in the Thu Thiem new urban area, according to the State Bank of Vietnam.

Dream Republic Corporation, Sheen Mega JSC, Binh Minh Investment Development and Trading Co, Ltd, and Viet Star Real Estate Investment Co, Ltd bid a total price of VNĐ 37.4 trillion (US\$1.64 billion) for one plot each.

Viet Star Real Estate Investment Co, Ltd, a subsidiary of Tan Hoang Minh Group, bid VNĐ24.5 trillion (\$1.08 billion), the highest price ever paid for one square metre of land anywhere in the country.

But on January 10 Tan Hoang Minh Group chairman Do Anh Dung wrote letters to Party and State leaders, saying the company would not go ahead with the purchase.

Speaking at a meeting which the SBV held on Saturday to review the performance of the banking sector in 2021 and set tasks for this year, Nguyen Van Du, acting chief inspector of its Banking Supervision Agency, said, “The review shows so far no credit institution has provided loans to these businesses to take part in the Thu Thiem land auction.”

Priority lending in manufacturing sector

Permanent Deputy Governor of the SBV, Dao Minh Tu, said this year banks would prioritise lending to the manufacturing sector and those affected by the COVID-19 pandemic such as tourism, transport and hospitality.

Lending to risky sectors such as real estate, securities and corporate bonds would be tightened even more than last year, he said.

"There have been some 'hot' issues related to the real estate sector recently. The State Bank of Vietnam closely monitors and will hold symposiums on these issues to warn, orient and strengthen control over funding to [risky] sectors."

Nguyen Duc Lenh, deputy director of the SBV's HCM City branch, said there would be measures to mitigate the difficulties faced by businesses this year.

They include providing support in accordance with SBV circulars on restructuring of loan repayment periods, waiving and reducing interest, and providing new loans at preferential interest rates to fund business recovery.

His branch would also strengthen a regular city programme to link enterprises and banks to enable credit, he added.

5. Current fines for market violations not enough

Although market regulators detect many violations on the stock market, the penalties are often not proportionate to the profit, and so are of little deterrent to would-be rule-breakers.

According to the State Securities Commission of Viet Nam (SSC), there are hundreds of cases of violations every year relating to information disclosure, price manipulation and stock manipulation.

SSC last year issued more than 300 decisions to sanction administrative violations in the field of securities and the stock market, an increase of more than 80 cases compared to 2020. The amount of money collected from the fines rose 5.6 per cent to reach approximately VND21 billion; in 2020 they totalled VND19.8 billion (US\$871,300).

The most common violations are transactions not being reported within the specified timeframe, non-disclosure of information about expected transactions or non-disclosure of information that must be disclosed in accordance with the law.

As per the official porter of the State Securities Commission of Viet Nam, from the beginning of 2021 until now, this agency has announced five administrative sanctions for violations of individuals and businesses.

On January 10, 2021, the SSC issued Decision No 17/QD-XPVPHC on sanctioning administrative violations against Nguyen Thi Thanh Huong, in Ha Noi's Hai Ba Trung District.

Huong was fined VND80 million for non-disclosure of information about an expected transaction. Huong bought 100,000 shares of Electronics

Communications Technology Investment Development Corporation (ELC), equivalent to VND1 billion at par value of ELC shares on July 2, 2021. After that, Huong sold 100,000 ELC shares in August 2021 but did not disclose information about the transaction.

Previously on January 4, the SSC also issued Decision No 02/QD-XPVPHC on sanctioning administrative violations against CMC Joint Stock Company, based in Thuy Van Industrial Park, Thuy Van Commune, Viet Tri City in the northern province of Phu Tho, with a fine of VND85 million.

The company committed administrative violations in the field of securities and the stock market by not disclosing information that must be disclosed in accordance with the law.

At the end of August 2021, the SSC issued a notice on the sanctions for the act of manipulating the prices of FTM shares of Duc Quan Investment and Development Joint Stock Company. Specifically, Le Manh Thuong and Pham Thi Phuong used 50 trading accounts to create artificial supply and demand, manipulating FTM shares of Duc Quan Investment and Development Joint Stock Company. Each of the above-mentioned individuals was fined VND600 million.

At the beginning of July 2019, the price of FTM continuously dropped from nearly VND24,000 per share to almost VND3,000 per share. At the time, 11 securities companies and one bank lost hundreds of billions of dong because of margin lending related to FTM shares.

According to SSC, based on the verification results of the police agency and the inspection results, the consequences caused by the two individuals mentioned above have not reached the level of criminal prosecution.

At the end of July 2021, the SSC issued a decision to sanction an administrative violation against Tran Ngoc Be, with a fine of over VND940 million.

Be bought more than 1.48 million VPBank (VPB) shares and sold 59,000 VPB shares in January 2021. Be continued to buy more than 1.88 million VPB shares in February 2021 and 59,000 VPB shares on March 3, 2021 but did not disclose information about the expected transaction. In addition to the administrative fine, Be was also subject to an additional penalty of suspending securities trading for four months.

According to Nguyen The Minh, Analysis Director of Retail Banking, Yuanta Securities Viet Nam, the non-disclosure of transaction information had caused many risks for businesses and investors. The market would become less transparent and therefore more difficult to be upgraded in status. On the investor side, they will lose confidence in the business because transparency is the minimum factor for investors to decide whether to buy a stock or not.

“Although the authorities have detected and handled many violations on information disclosure on the market, most of them were just administrative sanctions. Since most of the fines are small amounts, many large shareholders are willing to trade off fines for profits,” Minh said.

“It is necessary to increase the fine level for the act of not disclosing the expected transaction information, not limited to just VND1.5 billion. This is a very small amount compared to the trading sessions that earned thousands of billions of dong,” he said.

SSC has advised investors to be careful, avoid being led astray by fabricated rumours flows on social networks. Along with the flourish of securities recently, many groups have been created on Zalo, Facebook, and Telegram to exchange investment information.

In a statement issued on December 28, 2021, the SSC said that it had discovered among those groups that spread falsified rumours, fake documents and untrue information to entice investors to buy and sell stocks.

6. WTO membership the driving force behind Viet Nam's growth: experts

World Trade Organisation (WTO) membership and the signing of 15 free trade agreements (FTAs) has been moving Viet Nam's economy forward for years, according to experts at the 15th anniversary of Viet Nam's accession to WTO.

The WTO's World Trade Statistical Review reported that among the top 50 merchandise traders, Viet Nam has recorded the biggest increase in world ranking, improving its position from 39th place in 2009 to 23th in 2019.

In 2020, the country positioned itself among the 20 leading exporters in international trade.

Economic expert Nguyen Minh Phong noted the admission to WTO had turned Viet Nam into an economy with high trade openness (200 per cent GDP), with a trade surplus since 2016.

Notably, total trade increased nearly eightfold from US\$84.7 billion in 2006 to \$668.5 billion in 2021.

Between 2016 and 2020, the trade balance continued pick up steam and reached a peak of over \$19 billion. Despite the pandemic, last year's total exports still hit \$336.25 billion, marking a surplus of \$4 billion.

According to Ministry of Industry and Trade (MoIT), Viet Nam's economy has been forging ahead with many upturns in exports thanks to WTO membership.

The country has successfully expanded its trade footprint in almost all markets worldwide and actively participated in global value chains and production networks.

Viet Nam's exports have become more processing-oriented with processed goods' contribution to exports rising from 80.3 per cent in 2016 to nearly 89.2 per cent in 2021.

The number of products that commercially fetch more than \$1 billion ballooned from nine in 2006 to 35 last year.

Nguyen Thi Thu Trang, director of WTO and Integration Center under the Viet Nam Chamber of Commerce and Industry, said that the strict compliance to WTO frameworks had allowed Vietnamese firms and the economy to grow steadily in the past 15 years.

Remarkably, firms and the economy had successfully adapted themselves to the ensuing FTAs and turned the new situation to their advantage without experiencing any trade shocks.

In the future, it is all about institutional reforms, competitiveness enhancement and human resource improvement, which will help firms and the economy to continue to move forward, Trang added.

Luong Hoang Thai, director of Multilateral Trade Policy Department, believes Viet Nam has developed into an investment magnet thanks to the implementation of FTAs.

According to US News&World Report, Viet Nam was ranked 8th among the 20 best countries to invest in 2019, moving from 23th in 2018. The country is an attractive investment location for many of the world's leading corporations including Samsung, Microsoft and LG.

There are about 34,500 projects in Viet Nam funded by foreign investors so far. Total registered investment topped \$408 billion. In 2021, the country continued to draw in around \$31.15 billion of foreign investment, up 9.2 per cent compared to 2020.

Undoubtedly, WTO membership and FTAs have been giving impetus to Viet Nam's growth in trade and investment.

Tran Quoc Khanh, MoIT deputy minister, said the the ministry would continue to implement ratified FTAs, diversify exports and export markets, improve export quality, and stick to rules and regulations on product quality and origin to get the most out of WTO membership and FTAs.

Viet Nam was admitted to the WTO on November 7, 2006 and became an official member of the world's largest trade organisation on January 11, 2007.

7. City lends helping hand to farmers, processors in Mekong Delta as lack of exports causes glut

The HCM City Department of Industry and Trade is seeking to promote the consumption of agricultural products from Mekong Delta provinces, where they are piling up due to their inability to export.

Last week the department and more than 60 businesses met with farmers and agricultural processors from the delta to discuss the issue.

Chau Thi Le, deputy director of the department's Long An Province counterpart, said farmers in her province are harvesting around 20,000 tonnes of dragon fruit while 6,000 tonnes are already in enterprises' cold storage.

So her agency has taken many measures to boost dragon fruit consumption.

According to Nguyen Quoc Trinh, chairman of the Dragon Fruit Association of Long An province, the province's annual output is 400,000 tonnes, and with export to China becoming difficult in recent times, it is necessary to promote domestic consumption.

There are many co-operatives and individuals growing dragon fruit to VietGAP and GlobalGAP standards and ready to meet all quality requirements of distributors in HCM City.

The association also urged authorities to step up promotion to help Vietnamese dragon fruit find customers elsewhere, especially in India, and develop the domestic market through supermarket chains to reduce dependence on China.

A spokesperson for Tiki said the e-commerce platform was promoting the consumption of agricultural products.

Recently the first 10 tonnes of dragon fruit were snapped up within an hour of listing for sale, he said.

The Ministry of Industry and Trade has directed the Domestic Market Department, the Trade Promotion Agency and the Viet Nam E-Commerce and Digital Economy Agency to help businesses and co-operatives adopt e-commerce to sell agricultural products.

Corporate News

8. MSN: VinMart officially changes its name to WinMart

↓ -1.93%

WinCommerce, a member of Masan Group, on January 15 held a ceremony to announce its change of the brand name of VinMart retail system into WinMart.

Also at the event, the company opened its first WinMart supermarket integrating Phuc Long and Reddi mobile network in Vinh city, the central province of Nghe An.

This is an important step in WinCommerce's strategy to bring Vietnamese consumers new modern shopping experiences. The rebranding plan has been envisaged by WinCommerce since the time Masan Group took over the retail segment from Vingroup. This transition will be completed in the first quarter of this year.

After acquiring WinCommerce, Masan has successfully restructured, improved operational efficiency, launched mini-mall model, meeting a variety of essential needs of consumers. In the mini-mall, there are integrated WinMart, Techcombank, Phúc Long kiosk, Phano pharmaceutical and Reddi mobile network.

WinCommerce has got profitable for the first time in the third quarter of last year, seven quarters after Masan acquired it.

Truong Cong Thang, CEO of WinCommerce said: "WinMart operates with five core values including: serving daily essential products that meet "The

Very Best of Fresh" standards, promoting domestic production, protecting domestic distribution system, bringing Vietnamese goods to the world, and actively contributing to the State budget."

The company also cooperates with the Nghe An Department of Industry and Trade to organise the Nghe An Agricultural Products - Specialties Week and Vinh's Orange Week.

Nguyễn Thị Phương, Deputy CEO of WinCommerce said: "WinCommerce affirms its position as a retailer of Vietnamese people when it always maintains a ratio of more than 90 percent of domestic goods at WinMart/WinMart."

"With consumer-centric approach, we are constantly innovating to meet the essential needs of consumers in the most complete way. Through WinMart/WinMart, quality products of manufacturers and farmers are distributed widely, cutting intermediaries costs, and quickly reaching consumers."

At the event, Masan Group donated a high-class ECMO ventilator to Huu Nghi Hospital to help the hospital in the fight of COVID-19 epidemic. This is the first ECMO system in the province.

It also presented 2,000 gifts with total value of 1 billion VND (43,950 USD) to the programme "Tet for the poor - Nham Dan 2022" through the provincial Fatherland Front Committee./.

9. BID: Result of stock issuance for dividend payment

↓ -1.36%

Joint Stock Commercial Bank for Investment and Development of Vietnam reports the result of stock issuance for dividend payment to existing shareholders as follows:

I. Information on stock:

- 1) Stock name: Joint Stock Commercial Bank for Investment and Development of Vietnam
- 2) Stock type: common share
- 3) Par value: 10,000 dong/share

4) Number of shares issued: 4,022,018,040 shares

5) Number of outstanding shares: 4,022,018,040 shares

6) Number of treasury shares: 0 share

7) Number of shares expected to be issued: 1,036,522,036 shares

8) Exercise ratio: 100:25.77119312

9) Plan to deal with fractional shares: The distributed shares will be rounded down to units, the fractional shares (if any) will be cancelled.

10) Ending date: January 12, 2022

11) Time for transferring shares: expected in January 2022.

II. Result:

1) Number of distributed shares: 1,036,505,776 shares; Of which:

- Number of distributed shares to shareholders according to the rate: 1,036,505,776 shares for 28,684 shareholders;

- Number of fractional shares: 16,260 shares (These shares will be cancelled).

2) Total shares after the issuance: 5,058,523,816 shares; Of which:

- Number of outstanding shares: 5,058,523,816 shares

- Number of treasury shares: 0 share..

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