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Market Analysis

1. Large caps cushion the market, VN-Index still falls 1 per cent

Shares plummeted on Tuesday despite the growth of some major blue chips as negative information continued to weigh on small and medium cap stocks.

On the Ho Chi Minh Stock Exchange, the VN-Index dropped 0.96 per cent to close at 1,438.94 points. The southern market's index lost nearly 5 per cent in the last five sessions.

Market leaders were banking stocks. BIDV (BID) climbed nearly 3 per cent and Vietcombank (VCB) increased 1.6 per cent. These two shares added nearly four points to the VN-Index. Other large caps such as Vincom Retail (VRE), Vinamilk (VNM), PV Gas (GAS) and brewer Sabeco (SAB) also increased which cushioned the market's fall.

Without the support of blue chips, the HNX-Index on the Ha Noi Stock Exchange plunged 5.42 per cent to end the day at 421.21 points. The northern market's index lost 10 per cent in the past two days.

The strong selling pressure on small and medium stocks pushed the market down.

One-third of the total 562 declining shares on the two national stock exchanges hit the floor price. Securities, construction and real estate were the main downward forces which declined 6.6 per cent, 5.6 per cent and 2.3 per cent, respectively, according to data on vietstock.vn.

FLC slumped for six sessions in a row (four of which it was locked on the floor) following the scandal in which its chairman Trinh Van Quyet had

not disclosed sales of 74.8 million FLC shares on January 10.

On January 18, the State Securities Commission (SSC) issued a decision to fine him VND1.5 billion (US\$65,200) for his unreported trading. The transactions involving Quyet's share sales were also cancelled.

In addition, Quyet was subject to the additional sanction of being suspended from securities trading activities for five months.

Quyet has paid the fine.

This is an unprecedented measure for Viet Nam's stock market but SSC said it was aimed to safeguard the transparency and stability of the market. The market watchdog also said it would continue to closely coordinate with relevant authorities in investigating and handling cases with signs of violations in the securities market.

Liquidity decreased significantly with only 836 million shares worth VND25.5 trillion (\$1.1 billion) traded in the two markets, down 25 per cent in volume and 29 per cent in value compared to Monday's levels.

However, foreign traders were strong net buyers with a net buy value of VND900 billion on the two exchanges. Most of the trade focused on shares on HCM City's bourse such as Sacombank (STB), Vinamilk (VNM), Saigon Securities Inc (SSI) and Vietcombank (VCB).

Macro & Policies

2. Mekong Delta seafood exports boom despite pandemic

Despite the Covid-19 pandemic, Cuu Long (Mekong) Delta provinces managed to beat the seafood export targets last year.

Soc Trang and Ca Mau provinces both topped US\$1billion mark.

Vo Van Chieu, director of the Soc Trang Department of Industry and Trade, said exports exceeded the target by 28 per cent and increased by 14.8 per cent from the previous year to \$1.28 billion.

Shrimp accounted for \$1.03 billion, a 22.9 per cent increase, which is a good sign in the context the economy still faced many difficulties due to the pandemic, he said.

Huynh Quoc Viet, chairman of the Ca Mau Province People's Committee, said exports were worth \$1.1billion, with shrimp accounting for a lion's share.

To maintain the growth momentum, the province needed to develop infrastructure, especially for inter-provincial linkages and connecting with seaports, he added.

3. Three scenarios to help the digital economy make a breakthrough by 2025

The goal for the digital economy to account for 20 per cent of GDP by 2025 is very challenging.

However, Nguyen Trong Duong, Deputy Director of the Department of Enterprise Management, Ministry of Information and Communications, believes that with a breakthrough scenario, the Vietnamese digital economy could account for 26.2 per cent of GDP in 2025.

Under the normal development scenario, the Vietnamese digital economy will only reach 10.5 per cent of GDP by 2025.

To achieve this goal, it was necessary to maintain the average annual growth of the digital economy at about 20 per cent, three times higher than the expected GDP growth at 6.5-7 per cent per year, he said.

Based on the analysis and assessment of digital economy development, three development scenarios could be proposed for the Vietnamese digital economy by 2025, said Duong.

In the normal scenario, with only average efforts for digital transformation and digital economy development, the digital economy will account for about 10.4 per cent of GDP by 2025, of which ICT,

telecommunications and the internet economy account for about 7.9 per cent of GDP.

In the quicker scenario in which digital transformation and development of the digital economy are strongly promoted, the digital economy will account for about 19.9 per cent of GDP by 2025, of which ICT, telecommunications and the internet economy account for about 13.1 per cent.

In the breakthrough scenario, digital transformation and digital economy development are strongly deployed, accompanied by measures to ensure a market balance between Vietnamese digital enterprises and foreign counterparts. At the same time, with policies to support Vietnamese technology start-ups, the digital economy will account for about 26.2 per cent of GDP by 2025, of which ICT, telecommunications and the internet economy account for about 16 per cent.

Duong said that first, it was necessary to quickly develop and promulgate national strategies and programmes on developing the digital economy and digital society.

Second, it was necessary to urgently review, amend and supplement legal regulations to improve the legal framework, mechanisms and policies for the

development of the digital economy and digital society.

Third, it is necessary to accelerate the implementation of the national digital

transformation programme, especially solutions for skills training and digital human resources development; digital transformation; and the domestic digital market.

4. PM gives directions on Hà Nội, HCM City's road projects

Prime Minister Phạm Minh Chính on Tuesday chaired a meeting with representatives of ministries, sectors and of Hà Nội, Bắc Ninh and Hưng Yên on the investment policy for the Ring Road No.4 project in the Hà Nội Capital Region.

The PM held a similar meeting on January 15 with ministries, sectors and HCM City, Long An, Đồng Nai, Bình Dương and Bà Rịa-Vũng Tàu on the investment policy of Ring Roads No.3 and 4 of HCM City.

At the meetings, PM Chính underlined that the projects were of significant importance to the socio-economic development of localities in the Capital Region and southern region.

They would create a new development space for Hà Nội, HCM City and surrounding localities, helping foster regional economic connections, meeting increasing travel demand, connecting roads to the

cities' centres and expanding land for development and reducing logistics costs, thus attracting more investors and improving local living conditions, he said.

The PM asked relevant ministries, sectors and localities to complete dossiers of Ring Road No.4- Hà Nội Capital Region and Ring Road No.3 of HCM City and submit to the Government in February and authorised agencies in early March.

He ordered the formation of a working group led by the Chairman of the Hà Nội People's Committee to serve the implementation of Ring Road No.4- Hà Nội Capital Region, and another by the Chairman of the HCM City People's Committee to cover the Ring Roads No.3 and 4 of HCM City. The two groups will consist of representatives from relevant ministries, sectors and localities and run under the direction of Deputy PM Lê Văn Thành.

5. Digital transformation way out for agricultural sector amid difficulties

Fast digital transformation is considered the best way for the Vietnamese agricultural sector to overcome difficulties to recover and develop in the post-pandemic period, thus affirming its role as a key pillar of the economy, according to experts.

Amid challenges from climate change, market fluctuations and changes in consumption trends, the sector is required to increase the proportion of digital agriculture in the economy.

Meanwhile, the data-driven digital transformation in agriculture and agricultural management is expected to help boost the sector's growth through better market forecasts and planning.

Deputy Foreign Minister Bui Thanh Son said that facing adverse impacts of COVID-19, businesses and farmers were fully aware of strengthening the application of smart and digital technologies to

maintain stability in production and farm produce supply, thus preparing for post-pandemic recovery and sustainable development.

Minister of Agriculture and Rural Development Le Minh Hoan said that along with optimising advantages and local resources for the development of the multiple value agriculture and trademark building, Viet Nam should build a data system and make its agricultural data and information more transparent to reach more markets and create a new breakthrough for the sector.

Many experts said that together with negative impacts, COVID-19 also brought about chances for the Vietnamese agricultural sector to speed up digital transformation and write its name in the international agricultural supply chain.

According to David John Whitehead from the Australian Business Association in Viet Nam (Auscham) Australians are very open to Vietnamese farm produce, which means the chance for Viet Nam to export more agricultural products to the market is high.

Currently, Vietnamese agricultural products are exported to many choosy markets, and the Australian market is similar. However, for consumers in Australia, manufacturers in Viet Nam need to build their own brand, with quality ensured, so as to win consumers' confidence that Vietnamese products are safe and of high quality.

In order to increase exports of key farm produce, closer coordination among ministries, sectors and localities in strengthening digital transformation

and trade promotion as well as market connection is crucial.

However, many experts pointed to the need for Viet Nam to focus more on preparing high-quality human resources.

Associate Prof. Tran Dang Xuan from Japan's Hiroshima University said that many Vietnamese farmers still hesitated to renovate their cultivation practices and approach new farming techniques.

He stressed the need for the Government to focus more on developing digital agriculture, while strengthening communication among farmers to help them understand the benefits of the process, and equipping them with more knowledge and skills in conducting online transactions.

6. Promoting economic co-operation between Viet Nam and ASEAN+ 3

Strengthening economic cooperation between Viet Nam - ASEAN+3 towards economic recovery and development, as well as repelling the impact of the COVID-19 pandemic were discussed at a meeting among ambassadors of ASEAN+3 countries in Ha Noi on Monday.

Speaking at the event, Deputy Minister of Planning and Investment Tran Quoc Phuong said that for nearly 30 years, Viet Nam had actively participated in ASEAN economic integration and joined with ASEAN member countries to build an important foundation for the official establishment of the ASEAN Economic Community (AEC) in 2015.

ASEAN has become one of the leading trade and investment partners of Viet Nam, an important driving force to help Viet Nam maintain its economic growth rate for many years, added the deputy minister.

In addition, the partnership between Viet Nam and Japan, South Korea and India had also achieved many important achievements, he noted. The three countries have effectively supported and co-operated with Viet Nam in many fields, thereby contributing to promoting the Vietnamese economy's rapid and sustainable development.

Speaking at the event, delegates also said that the pandemic had caused many difficulties to the economy and business activities of the countries.

However, economic cooperation between Viet Nam and ASEAN was still growing and was a bright spot in the economic picture of Viet Nam in particular and of the region in general, heard at the event.

Specifically, under the negative effects of the COVID-19 pandemic in 2020, Viet Nam's import and export of goods with ASEAN reached US\$53.6 billion, down 6.8 per cent compared to 2019.

However, trade has recovered and regained momentum last year. Two-way trade turnover between Viet Nam and ASEAN reached \$56.6 billion in the 10 months of last year, a year-on-year increase of 30 per cent, higher than the average import-export growth rate of Viet Nam with the world at 22.6 per cent.

Besides trade, the Ministry of Planning and Investment also said that the ASEAN+ 3 region was the leading investor in terms of total FDI into Viet Nam last year with the participation of South Korea, Japan and Singapore.

Bui Tuong Lan, Permanent Vice Chairman of Viet Nam - ASEAN Association for Economic Co-

operation Development (VASEAN), said that the rapid outbreak and spread of the COVID-19 pandemic last year had caused serious consequences to the socio-economic development of Viet Nam and strongly affected VASEAN members.

But thanks to the solidarity, co-operation and mutual support to overcome difficulties; the direction and facilitation of leaders of ministries, agencies and localities; and the cooperation of embassies, VASEAN members have basically stabilised production and business activities.

The association has co-operated with embassies and businesses of ASEAN+ 3 countries to effectively organise online seminars, trade connections, and exhibitions and create momentum for development in the new year.

“VASEAN will work with each embassy to jointly build and organise exchange and co-operation programmes to promote economic development in the ASEAN and ASEAN +3 regions and strengthen mutual understanding among countries in the region for a region of stability, peace and development,” stated Lan.

7. Government issues new decree on registration fees

Deputy Prime Minister Lê Minh Khái has recently signed Decree No. 10/2022 on regulating registration fees. The decree will take effect from March 1 this year.

Accordingly, the property registration fee is 0.5 per cent while the fee on hunting guns and guns used for training and sports competition is 2 per cent. For ships including barges, canoes, tugs, pushers, submarines, submersibles and boats, including yachts and aircraft, the fee is 1 per cent.

The registration fee for motorbikes is 2 per cent. Motorbikes of organisations and individuals in centrally-run cities shall pay the registration fee for the first time at the rate of 5 per cent while the owner of motorbikes paying the registration fee for the second time onward will pay 1 per cent.

In cases where the owner has made a declaration and paid a registration fee of 2 per cent for their motorbikes and then transferred it to an organisation or individual in the area specified above, the registration fee shall be paid at a rate of 5 per cent.

For automobiles, trailers, semi-trailers, and vehicles similar to automobiles, the fee is 2 per cent. For 9-seater vehicles or less (including pick-ups), the first registration fee is paid at a rate of 10 per cent.

If it is necessary to apply a higher tax rate to suit the actual conditions in each locality, the People's

Council of the province will decide to increase it, but not exceeding 50 per cent of the general regulations.

For cargo pick-up trucks with a permissible transport volume of less than 950kg and with five seats or less, and vans with a carrying volume of less than 950kg, the registration fee for the first time is equal to 60 per cent of the first registration fee for 9-seater cars or less.

The decree stipulates that for owners of a battery-powered electric car, the first registration fee does not need to be paid within three years of March 1, 2022, but they will pay the first registration fee equal to 50 per cent of the fee for petrol and diesel cars with the same number of seats within the next two years.

The decree states that the registration fee for cars is payable from the second time onward at the rate of 2 per cent and uniformly applied nationwide.

Based on the type of vehicle specified in the certificate of quality, technical safety, and environmental protection issued by the Vietnamese registry, the tax authority will determine the registration fee for automobiles, trailers or vehicles, and semi-trailers.

For the frame, total body, and any engine block that is replaced, it must be registered with a competent State agency and the corresponding registration fee will be applied.

For organisations and individuals that have been exempted or not required to pay registration fees when registering their ownership of cars and motorbikes for the first time, if they transfer the vehicles to other organisations or individuals or change their use purposes but do not belong to an organisation or individual eligible for registration fee exemption as prescribed, the organisation or individual shall pay the registration fee with the initial collection rate based on its remaining use value.

The transferee registering the ownership of a car or motorbike shall pay the registration fee for the second time onward.

To determine the previous registration of ownership, the organisation or individual receiving the transfer shall pay a registration fee at the initial rate when registering the ownership of a car or motorbike. The registration fee for the property

specified above is limited to a maximum of VNĐ500 million per property for registration, except for passenger cars with nine seats or less, aircraft and yachts.

As of March 1, 2022, the registration fee for passenger cars with nine seats or less and the fee for calculating the registration fee for houses, cars, and motorbikes will continue to be collected by the current regulations of the provincial people's council, provincial people's committee and the Ministry of Finance until the provincial people's council promulgates a new registration fee.

The people's committees of provinces and cities shall issue a new registration fee calculation price list for houses, and the Ministry of Finance shall issue a new registration fee calculation price list for cars and motorbikes according to the decree. The registration fee for battery-powered electric cars shall also comply with the decree.

Corporate News

8. KBC: Approved the plan for selling treasury shares

↓ -5.96%

The Board resolution dated January 17, 2022, the BOD of Kinh Bac City Development Holding Corporation approved the plan to sell treasury shares with details as follows:

- Number of treasury shares before the trading: 5,950,978 shares
- Number of treasury shares registered to sell: 5,950,978 shares

- Selling purpose: to supplement capital resources for the company's business activities.

- Trading method: order matching or put through

- Expected trading period: after being approved by the State Securities Commission of Vietnam (SSC).

9. DPM: Petrovietnam Fertilizer and Chemicals Corporation pays cash dividend in interim 1, 2021 with the ratio of 10.00%

↑ 6.89%

Ticker DPM - Petrovietnam Fertilizer and Chemicals Corporation pays cash dividend in interim 1, 2021 with the ratio of 10.00%

Petrovietnam Fertilizer and Chemicals Corporation (ticker: DPM) announces -- as record-date for cash dividend in the interim 1, 2021 with the ratio of 10.00% (1,000 dong per share). The payment is planned on --.

The company has 391.33 million outstanding shares of Petrovietnam Fertilizer and Chemicals Corporation. As a result, the company is going to pay 391.33 billion dong for the shareholders.

In 2020, Petrovietnam Fertilizer and Chemicals Corporation generated 7,761.82 billion dong in revenue and 691.31 billion dong in net profit, increasing 1.02% and 83.03% compared to figures in same period of previous year, respectively.

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