



# VIETNAM DAILY NEWS



March 10th, 2022

Table of content

## Table of content

1. VN-Index goes flat as foreign net selling continues
2. Stronger administrative reform needed: PM
3. Russia-Ukraine conflict expected to greatly impact seaport enterprises
4. Lessons learnt from the Thu Thiem land auction case
5. Việt Nam hits 5 million COVID-19 cases
6. Health ministry proposes easing access to Molnupiravir for COVID-19 patients
7. PetroVietnam pumps 1.78 million tonnes of oil in 2 months
8. SHB: Adjustment of foreign ownership limit
9. GMD: Notice of Annual General Meeting 2022

## Market Analysis

### 1. VN-Index goes flat as foreign net selling continues

Vietnam's benchmark VN-Index went sideways Wednesday and stayed at 1,473 points, but with foreign investors net selling for the third session in a row.

The index stayed mostly in the red throughout the day and closed 0.03 points higher after plunging 25 points Tuesday.

Trading value on the Ho Chi Minh Stock Exchange (HoSE), on which the index is based, fell 11.6 percent to VND30.51 trillion (\$1.34 billion).

Foreign investors net sold VND1.06 trillion worth of stocks, focusing on HPG of steelmaker Hoa Phat Group and VNM of dairy giant Vinamilk.

In the past three sessions their net sale value totaled VND4.04 trillion.

The VN30 basket, comprising the 30 largest capped stocks, saw 16 tickers in the red Wednesday, with BVH of insurance company Bao Viet Holdings falling 3.4 percent to a two-week low.

VRE of retail real estate arm Vincom Retail fell to a six-week low with a 2.8 percent drop.

Other losers included BID of state-owned lender BIDV and POW of electricity producer Petrovietnam Power Corporation, both fell 2.6 percent.

Thirteen blue chips gained, with PNJ of Phu Nhuan Jewelry rising 4.2 percent to new peak as gold prices repeatedly climbed to new peaks in recent weeks.

PLX of fuel distributor Petrolimex rose 2.8 percent as gasoline prices are forecast to continue rising.

Other gainers included VJC of budget airline Vietjet, up 2.2 percent, and VCB of state-owned lender Vietcombank, up 1.8 percent.

The HNX-Index for stocks on the Hanoi Stock Exchange, home to mid and small caps, fell 0.29 percent, while the UPCoM-Index for the Unlisted Public Companies Market rose 0.67 percent.

## Macro & Policies

### 2. Stronger administrative reform needed: PM

Prime Minister Phạm Minh Chính has ordered authorities to work harder to elevate the administrative reform process, ensuring people and businesses avoid hurdles with complex red tape.

He made the statement during a meeting of the Government's Steering Committee of Administrative Reform, which he is head of, yesterday in Hà Nội.

The PM said administrative procedure reform has been strongly promoted even in the context of COVID-19.

In 2021, Việt Nam reduced and simplified 1,101 business regulations, approved the plan to reduce and simplify 924 regulations, as well as amended and supplemented 166 legal documents. The index on improving the quality of legal regulations in 2021 in the Vietnam Innovation Index, evaluated by the World Intellectual Property Organization, increased by six places.

However, there are limitations that need to be overcome. Administrative reform has not yet met the requirements in the new situation, and has not met the needs of people or businesses, he said.

Administrative procedures are still complex with many sub-licenses and inconsistent procedures meanwhile investment in administrative reform is still limited in some places and sometimes does not get due attention, he said.

"There are both external and internal reasons for those issues but leaders do play a role," PM Chính said.

"Their attention, leadership, and implementation are not yet on par with the requirements."

Regarding the tasks of 2022, the Prime Minister said it is important to create a breakthrough in administrative reform to mobilise all resources for the development of the country and improve the effectiveness and efficiency of the administration of ministries, branches, and localities.

The PM highlighted the principle that investment in administrative reform is an investment for development and it must be practical and properly implemented, and be people- and businesses-focused.

The head of the Government requested to focus on key tasks. They include work on institutions for administrative reform, reviewing administrative procedures that need to be reduced or supplemented, and investing in financial and human resources for administrative reform.

It is important to listen to the opinions of different agencies, people, businesses as well as be willing to improve administrative procedures that are still troublesome and inappropriate, he said.

It is also necessary to decentralise powers and allocate resources appropriately, improve the quality of human resources, among others.

On the basis of Việt Nam's context and international experience, ministries and agencies should work on institutions and reform administrative procedures to remove bottlenecks and mobilise resources for the development while contributing to improving the efficiency of management, administration, and governance at different levels, PM Chính said.

He added that it is necessary to make adequate investment in building e-Government towards the goal of digital government, digital society, and digital citizens.

Việt Nam should develop and complete a set of evaluation criteria for administrative reform according to its circumstances and refer to models in the world, ensuring objectivity, fairness, and democracy.

He said the country should also mobilise the contributions of people and businesses in the implementation of administrative reform while promoting international cooperation to improve the quality of administrative reform.

### 3. Russia-Ukraine conflict expected to greatly impact seaport enterprises

Rising international oil prices, due to tensions in Ukraine, will have a great impact on the shipping industry as input costs increase in tandem.

Experts predict that the Russian-Ukrainian tensions will have a small direct impact on Viet Nam. Indirectly, however, rising oil prices due to sanctions on Russia from other countries is a concern.

Brent crude has maintained its rallies in recent weeks and topped US\$130 a barrel earlier this week.

In the short term, with higher freight rates, the seaport industry could benefit. In the long term, however, the global economic recovery and smooth international trade are factors that help the seaport industry develop sustainably.

The conflict is a short-term event and may reduce freight rates as the situation cools down.

And even though seaport and logistics businesses will transfer the additional cost to customers, their profit margins will decrease and not all customers will agree with the extra fees.

In addition, prolonged escalation reduces the workload for the industry, due to the decline in international trade.

However, growth in import and export is a driving force that creates a potential for port and shipping enterprises. As a result, shipping stocks have surged recently.

#### Flying high

Stocks in the shipping industry have climbed sharply recently, especially on March 3 when many hit ceiling prices.

Statistics showed that from March 3 to 7, Gemadept Corporation (GMD), Vietnam National Shipping Lines (MVN), Vietnam Ocean Shipping JSC (VOS), and Hai An Transport & Stevedoring JSC (HAH) all gained for three consecutive sessions, with MVN posting the biggest increase of 37.23 per cent.

These stocks' rallies ended on Tuesday as geopolitical tensions in Ukraine weighed on the market's sentiment. However, they all rebounded strongly yesterday despite the market's general downtrend, with GMD, VOS and HAH even hitting a maximum intra-day gain of 7 per cent.

VNA shares of Vinaship JSC also marked rallies for 15 consecutive sessions, from February 11 to March 3, with an increase of 51.4 per cent. The stock corrected on March 4 and 7, before surging back sharply in the last two sessions.

The rallies happened amid oil prices hitting record highs, showing that investors still have high expectations for the industry.

Analysts say that seaport businesses are benefiting from the economic recovery and reopening of countries around the world.

Do Ngoc Bao, Deputy General Director of Viet Nam Construction Securities JSC (CSI), said that the seaport stocks have risen sharply in recent sessions thanks to the strong cash flow into industries that are believed to benefit from the Russia-Ukraine tensions, of which the shipping industry is said to benefit from higher freight rates and surges in the price of a variety of goods and materials.

However, these stocks have had a positive recovery over the past month or so, with most stocks approaching and surpassing the peaks formed last year, he added.

Meanwhile, Tran Xuan Bach, a market analyst of Bao Viet Securities JSC (BVSC), said that shipping shares have increased sharply in recent sessions due to China's "zero COVID-19" policy and tensions between Russia and Ukraine, adding pressure on global trade and exacerbating supply chain bottlenecks.

#### Momentum from import and export activities

Although shipping stocks are closely related to import and export activities, they are one of the brightest points of the Vietnamese economy.

According to the General Department of Viet Nam Customs, in 2021, the country's total import and export value reached \$668.55 billion, up 22.6 per cent on-year.

In the first two months of this year, Vietnamese total import and export turnover was estimated at \$108.52 billion, up 13 per cent over last year. Of which, export turnover increased by 10.2 per cent, while import was up 15.9 per cent.

Agribank Securities Joint Stock Company (Agriseco) said that although the macroeconomic background

in 2021 was not quite positive due to the effects of the fourth wave of COVID-19, there were still many bright spots, especially after the pandemic was brought under control.

One of these bright spots was the growth in exports. Despite the developments of COVID-19, the export turnover still grew by nearly 19 per cent last year.

Exports are expected to continue to grow well in 2022 as COVID-19 is well contained and international demand recovers strongly.

#### 4. Lessons learnt from the Thu Thiem land auction case

A suitable auction form for each type of property and more stringent sanctions are needed to prevent auction winners from walking away without buying as happened recently in the Thu Thiem New Urban Area, experts said.

The HCM City Real Estate Association (HoREA) said in a report to Prime Minister Pham Minh Chinh that the direct verbal auction had led to a bidding war, especially between the final two bidders, which pushed up prices.

The winning bid was 8.3 times the reserve price, and much higher than existing land prices in the area and even on DongKhoi, Nguyen Hue and Le Loi streets in the city downtown, it said.

If the auction had been through sealed bids and the bidders' capacity, especially financial, had been evaluated, the results would have been different, it said.

HoREA chairman Le Hoang Chau said the public has asked why bidders are ready to lose deposits of hundreds of billions of dong after they win an auction, and if they do it merely to burnish their brands.

The fact that a business offers too high a price and then rejects the purchase, regardless of the motive, affects the healthy development of the market, the association said.

Fortunately, the Government and city administration have discovered and inspected

otherwise it might have caused incalculable damage, it said.

But the auction managed to create a land fever in this area and elsewhere, benefiting some investors, it said, pointing out that for instance a housing project in Thu Duc city is selling townhouses at up to VND350 million (US\$15,376) per square metre.

"Speculation" in the market is pushing up land, house and apartment prices, it said.

Needing to amend law soon

Chau said the Law on Property Auction still has loopholes that need to be quickly filled.

There is no regulation requiring bidders to prove their financial capability or furnish plans for a plot of land after winning an auction, he said.

To ensure the feasibility and success of future auctions in the Thu Thiem New Urban Area, the city needs to switch to sealed bids, he said.

"In the long term, it is necessary to supplement and amend the Law on Property Auction and related action regulations to ensure consistency of auction activities.

"At the same time, there should be specific regulations for bidders to meet and evaluation of projects that investors plan on a land if they win an auction."



Concurring, Assoc Prof Dr Nguyen Trong Hoai of the University of Economics of HCM City said the Law on Property Auction does not distinguish between auctions of small and large assets or between that of lands or properties on lands, and should be amended.

He also suggested mandating that bidders must have sufficient financial capacity and have their proposed projects appraised.

HoREA as well as other experts called for severe sanctions on auction winners who do not go ahead and buy.

The association also suggested that the Government should enhance oversight of auction service centres to prevent corruption and collusion between bidders and centre officials.

## 5. Việt Nam hits 5 million COVID-19 cases

Việt Nam has surpassed 5 million COVID infections, as the country registered a record 164,596 new daily cases on Wednesday.

After the country entered its fourth wave of the virus in late April 2021, it took just over six months to reach 1 million transmissions on November 11. By January 15, 2022, it had doubled.

By February 24, it hit 3 million, and by March 4 it had hit 4 million.

Just five days later, it has reached 5,042,036 cases.

The capital Hà Nội continued to record the highest number of daily cases at 31,365.

Other infections were found in Nghệ An (10,296), Bắc Ninh (9,068), Phú Thọ (5,594), Sơn La (4,924), Hưng Yên (4,102), Hòa Bình (3,997), Bình Dương (3,993), Nam Định (3,980), Lạng Sơn (3,905), Hải Dương (3,636), Tuyên Quang (3,498), Cà Mau (3,294), Đắk Lắk (3,119), Hải Phòng (3,027), Lào Cai (2,939), Quảng Ninh (2,905), Bắc Giang (2,794), Thái Nguyên (2,790), Điện Biên (2,772), Vĩnh Phúc (2,729), Quảng Trị (2,673), Bình Định (2,620), Thái Bình (2,608), Ninh Bình (2,554), Gia Lai (2,551), Quảng Bình (2,473), Hồ Chí Minh City (2,463), Hà Nam (2,372), Bình Phước (2,316), Cao Bằng (2,298), Bắc Kạn (2,258), Hà Giang (2,177), Yên Bái (2,064), Lai Châu (1,869), Khánh Hòa (1,861), Đà Nẵng (1,758), Lâm Đồng (1,224), Bến Tre (1,182), Thanh Hóa (1,163), Đắk Nông (1,011), Bà Rịa - Vũng Tàu (957), Tây Ninh (955), Hà Tĩnh (858), Vĩnh Long (754), Phú Yên (746), Quảng Ngãi (722), Bình Thuận (628), Trà Vinh (437), Thừa Thiên Huế (368), Kon Tum (367), Quảng Nam (323), Bạc Liêu (312), Long An (226), Cần Thơ (191), Đồng Nai (140), Kiên Giang

(76), An Giang (73), Hậu Giang (61), Đồng Tháp (49), Tiền Giang (40), Sóc Trăng (39) and Ninh Thuận (32).

Nghe An Province registered an additional 45,896 infections recorded in the previous days.

Bắc Giang and Quảng Ninh Provinces also registered 30,353 and 24,318 extra cases, respectively.

Among the new transmissions, 20 were imported and the rest were local. A total of 106,573 new infections were detected in the community.

There were also 109 COVID-related fatalities announced in Thái Nguyên (10), Đồng Nai (8), Hà Nội (8), Nam Định (7), Hà Nam (6), Bắc Ninh (5), Nghệ An (5), Phú Thọ (5), Bắc Giang (4), Đà Nẵng (4), Quảng Ninh (4), Cà Mau (3), Hà Giang (3), Hải Dương (3), Kiên Giang (3), Bạc Liêu (2), Gia Lai (2), Ninh Bình (2), Quảng Ngãi (2), Quảng Trị (2), TP. Hồ Chí Minh (2), Trà Vinh (2), Bến Tre (1), Bình Dương (1), Cần Thơ (1), Điện Biên (1), Đồng Tháp (1), Hà Tĩnh (1), Hải Phòng (1), Hậu Giang (1), Hòa Bình (1), Lâm Đồng (1), Phú Yên (1), Quảng Bình (1), Thái Bình (1), Thanh Hóa (1), Tuyên Quang (1), Vĩnh Long (1) and Yên Bái (1).

The number of deaths in Thái Nguyên, Đồng Nai, Nam Định, Hà Nam, Phú Thọ, and Hà Giang Provinces includes data from the previous day

Việt Nam's COVID-19 death toll is now 41,086, accounting for 0.9 per cent of total cases.

The health ministry also reported that 3,878 patients nationwide are in critical condition, with

344 requiring invasive ventilation and four on life support.

A further 65,872 patients were given the all-clear on Wednesday, taking the total number of recoveries to 2,855,214.

More than 198.6 million doses of the COVID-19 vaccine have been administered in the country to date.

## 6. Health ministry proposes easing access to Molnupiravir for COVID-19 patients

The Ministry of Health has proposed that pharmacies and drugstores be allowed to prescribe the antiretroviral COVID treatment drug Molnupiravir, under certain situations.

According to the proposal sent to the Prime Minister and the National Steering Committee on COVID-19 Prevention and Control, if patients have confirmation from a medical facility that they have tested positive for COVID-19, via PCR or rapid testing, they could be prescribed the drug.

Patients can also record a video of themselves performing the antibody test at home to prove a positive result.

The person in charge of prescriptions at the establishment can then determine the patient's risk of severe disease, and prescribe the drug as appropriate. The patient, or those collecting it on their behalf, must sign an agreement which contains information about the patient, test date, test results and instructions on how to administer the drug, which is attached to a copy of the citizen identity card of the patient.

According to the ministry, Molnupiravir is a new drug, so it is necessary to continue to monitor the quality, effectiveness and safety of the drug during circulation.

Molnupiravir has been licensed for conditional circulation by the Ministry of Health for the next three years and is strictly controlled. Currently, people can only use Molnupiravir with a prescription from a doctor. Arbitrary use carries many risks from side effects, as well as the creation of new strains of viruses.

In the UK, the USA, Japan and some other countries where the emergency use of Molnupiravir has been

approved, the drug must be prescribed, said the Ministry of Health.

As the number of COVID-19 infections is increasing and the majority of patients have mild or moderate symptoms, most are being treated and isolated at home.

However, due to the sheer volume of cases, medical workers are overloaded. They are unable to prescribe all patients the pill as per the regulation. Moreover, Molnupiravir is recommended to be used as early as five days from the onset of symptoms or a positive result.

In the context of rising cases and to ensure easy access to antiretroviral drugs, the Ministry of Health proposed several ways of dispensing Molnupiravir.

The proposal also requires pharmacies and drugstores to report on their business results from COVID-19 treatment drugs at 5 pm every day, to be sent to local health centres.

According to the ministry, this proposal only applies to oral antiretroviral drugs in areas with complicated disease development and high infection numbers.

Directors of health departments in cities and provinces will decide on the application of the plan, based on the epidemic situation.

In another development, the Drug Administration of Việt Nam has asked localities to strengthen inspections to detect and prevent the trade of COVID-19 treatment drugs at unlicensed business locations or online stores.

According to the drug administration, antiviral drugs for the treatment of COVID-19 must be

monitored strictly as per medical staff's instructions, to ensure safety and effectiveness for users.

However, it has been reported recently that many individuals have been selling Molnupiravir on social networking platforms. This uncontrolled sale of drugs can affect patients' health and the effectiveness of treatment.

Therefore, the Drug Administration of Việt Nam requests local health departments to strengthen the

management of the purchase, sale and use of the treatment.

The health departments have asked for cooperation with authorities across the country in examining, detecting and preventing the trade of COVID-19 treatment drugs at unlicensed stores, particularly online ones.

Violations will be handled by the police, as regulated.

## 7. PetroVietnam pumps 1.78 million tonnes of oil in 2 months

The Vietnam Oil and Gas Group (PetroVietnam) has reported that its oil output reached 1.78 million tonnes in the first two months of this year, surpassing the set target by 24 per cent.

The group's revenue in January and February was estimated at VNĐ118.73 trillion (US\$5.19 billion), exceeding the two-month target by 34 per cent, and up 46 per cent from the same period last year.

It contributed some VNĐ18.05 trillion to the State budget, surpassing the two-month target by 52 per cent, and up 48 per cent year on year.

The achievements are attributable to the group's good market forecasting work, flexible management and the ability to optimise opportunities despite uncertainties in the global oil and gas market.

Chairman of the Board of Directors of PetroVietnam Hoàng Quốc Vượng said at a recent meeting that it is necessary to further bring into full play opportunities in production and restructuring.

PetroVietnam General Director Lê Mạnh Hùng said the group will focus on market forecasting to flexibly cope with the new situation, and urged units to continue with digitalisation in business.



## Corporate News

### 8. SHB: Adjustment of foreign ownership limit

↑ 0.24%

On March 03, 2022, the Vietnam Securities Depository (VSD) issued an official document to announce the adjustment of foreign ownership

limit at Sai Gon – Ha Noi Commercial Joint Stock Bank (SHB) from 10% to 30%.

Adjustment date: March 04, 2022.

### 9. GMD: Notice of Annual General Meeting 2022

↑ 6.84%

Gemadept Corporation announces the 2022 Annual General Meeting of Shareholders as follows:

- Record date: March 23, 2022

- Exercise ratio: 01 share – 01 voting right
- Meeting time (estimated): April 25, 2022
- Meeting venue: later announcement.

**Research Team:****Tsugami Shoji**

Researcher

[jsi@japan-sec.vn](mailto:jsi@japan-sec.vn)**Disclaimer:**

*Copyright 2015 Japan Securities Co., Ltd (JSI). All rights reserved. This report has been prepared on the basis of the information believed to be reliable at the time of publication as provided by StoxPlus (www.stoxplus.com) - An associate company of Nikkei Inc. and QUICK Corp. JSI makes no representation or warranty regarding the completeness and accuracy of such information. This report is provided, for information purposes only and does not constitute an offer or solicitation to buy or sell any securities discussed herein any jurisdiction. Investors must make their investment decisions based upon independent advice subject to their particular financial situation and investment objectives. This report may not be copied, reproduced, published or redistributed by any person for any purpose without the written permission of an authorized representative of JSI.*

***Japan Securities Co., Ltd – JSI***

*Address: 14F, TNR Tower, 54A Nguyen Chi Thanh, Lang Thuong, Dong Da, Hanoi*

*Tel: (024) 3791 1818*

*Fax: (024) 3791 5805*

*Email: [info@japan-sec.vn](mailto:info@japan-sec.vn)*

*Website: [www.japan-sec.vn](http://www.japan-sec.vn)*