



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Shares drop further on profit-taking

Shares dropped further on Thursday, pressured by the slump of large-cap stocks that were hit strongly during the last minutes of the session by increased profit-taking.

On the Ho Chi Minh Stock Exchange (HoSE), the market benchmark VN-Index dropped 0.27 per cent, to 1,498.26 points.

The market's breadth was neutral with 222 gainers and 228 losers.

During the session, nearly 785 million shares were traded on the southern bourse, worth over VND24.8 trillion (US\$1 billion).

The benchmark's downtrend was due to losses of many large-cap stocks.

The VN30-Index, which tracks the 30 biggest stocks on HoSE, fell 0.54 per cent, to 1,497.44 points.

Of the VN30 basket, 21 stocks slid, while only seven inched higher and two ended flat.

In the VN-30 basket, the worst performers included The Viet Nam Rubber Group (GVR), losing 1.4 per cent, Novaland (NVL), dropping 1.2 per cent, FPT Corporation (FPT), losing 0.5 per cent and PVPower (POW), declining 0.6 per cent.

The banking-financial stocks also performed poorly, with losers being Vietinbank (CTG), Vietcombank (VCB), Techcombank (TCB), Military Bank (MBB), Sacombank (STB), VPBank (VPB),

Asia Commercial Bank (ACB), Bank for Investment and Development of Vietnam (BID) and SSI Securities Inc (SSI).

'Vin' family stocks also lost ground, pressuring the overall market with Vingroup (VIC) losing 0.5 per cent, Vincom Retail (VRE) declining 0.2 per cent and Vinhomes (VHM) down 1.9 per cent.

"In the next sessions, the market may continue to move sideways around 1,505 points to gain momentum and to bounce back to 1,520 resistance area; if not, the market might return to accumulate around the 1,485 level for a few sessions as the index has gone quite far from the short-term MA lines and might come back to test these lines," BIDV Securities Co said.

On HoSE, foreign investors net sold more than six million shares, with a net selling value of more than VND116 billion.

Dat Xanh Group (DXG) was under the strongest net selling pressure with VND170 billion; Vinamilk (VNM) and Hoa Phat Group (HPG) were also net sold VND129 billion and VND90 billion, respectively.

On the Ha Noi Stock Exchange (HNX), meanwhile, the HNX-Index rose 0.15 per cent to end at 462.80 points.

During the trading session, investors poured more than VND3.7 trillion into the bourse, equivalent to a trading volume of more than 116 million shares.

## Macro & Policies

### 2. Business wants HCMC to focus on logistics infrastructure

Heads of major companies have exhorted HCMC authorities to improve the city's logistics capacity, with some signaling an interest in investing in the sector.

At a conference with businesses Tuesday, city people's committee chairman Phan Van Mai said development plans for the next decade are focused on innovations in management, infrastructure and business.

He called on investors and businesses to "join hands with the city to... implement [new initiatives]" and be "co-authors of the city's development."

Many of the executives responded by saying logistics infrastructure is the key to achieving those goals.

Nguyen Thi Phuong Thao, chairwoman of conglomerate SOVICO and CEO of budget airline Vietjet, called for investing in transport and logistics infrastructure to turn the city into a hub for supporting industries and training for tech-based sectors.

"[I] propose developing more mechanisms to attract investment from the private sector such as PPP (public-private partnership) and BOT (build-operate-transfer)."

The heads of logistics firms KCTC Vina and MSC Vietnam agreed on the need for upgrading Cat Lai Port in District 2.

Park Hyun Bae of KCTC Vina said he was looking forward to an AI-based information system to enhance managerial effectiveness, and MSC Vietnam's Boris Cohen advocated upgrading Cat Lai and other nearby ports to international standards.

Cat Lai, Vietnam's largest port, handles 60 percent of the country's total containers and is its main gateway to international trade.

Chairman of conglomerate Imex Pan Pacific Group (IPPG), Johnathan Hanh Nguyen, said his company is seeking approval to build a logistics services hub in Thu Duc City.

The hub will fit IPPG's plans to have warehouses throughout the country to serve the cargo airline it is setting up, IPP Air Cargo.

Underlining the importance of human resources for the logistics sector, head of Gemadept, Nguyen Thanh Binh, said authorities should plan for innovation and setting up training centers.

The delegates also proposed ideas to improve industrial and digital infrastructure.

Dragon Capital's deputy chair, Tran Thanh Tan, said the fund is "ready to provide the city with technical and financial assistance to build the [international financial hub]."

It is also willing to help develop mechanisms for the fintech sector, he added.

### 3. Foreign investors interested in Viet Nam's future workforce

Viet Nam's assessment of future employment trends and preparations for its workforce to respond to such trends are issues attracting attention from foreign businesses at the ongoing Singapore Apex Business Summit (SABS) 2022.

Speaking at a debate in the framework of the summit on Wednesday themed "A look into the future of jobs and skills in ASEAN to capture business opportunities", Vietnamese Ambassador to Singapore Mai Phuoc Dung said Viet Nam has become an attractive destination for foreign investors, and multi-sectoral corporations in the

country are also growing stronger, so the demand for highly skilled and trained workers in Viet Nam is increasing day by day.

Regarding future employment trends, Viet Nam has a great demand for skilled technicians or middle- and high-level managers in industries, namely electronics and semiconductors, information technology, banking, finance, energy and marine economy, Dung said.

For Viet Nam's preparations, the diplomat said foreign companies highly valued the Vietnamese workforce for their working ability and speed in learning new skills.

However, the ambassador noted that Viet Nam also faces challenges to having a large enough skilled workforce to meet the high demand for its economic development in the future. The ratio of skilled workers in Viet Nam only accounts for 26.1 per cent of the labour force, he added.

Therefore, Viet Nam's socio-economic development plan in the next five years has emphasised the importance of building high-quality human

resources, considering it one of Viet Nam's top priorities for development.

Viet Nam aims to have 75 per cent of its workforce to be trained by 2030, of which 40 per cent granted with certificates. Viet Nam will also support digital and technology transformation for small and medium-sized enterprises, which account for 96 per cent of the total number of enterprises and employ 47 per cent of the labour force in the country, Dung revealed.

Sharing his views on how ASEAN should cooperate on jobs and skills in the future, Dung said that the bloc currently has a mechanism to convene ASEAN labour ministers every two years, which has been implemented effectively over the past several decades, contributing to enhancing intra-bloc coordination and efforts in terms of labour market information, skills development and recognition, and increasing labour productivity.

The potential for cooperation remains huge to ensure the smooth transformation in the region in this field, he stressed.

#### **4. SOEs to spearhead recovery and national development**

State-owned enterprises (SOEs) are to spearhead the country's economic recovery post-pandemic, to modernise and play a key role in national development efforts, Prime Minister Phạm Minh Chính told government officials and SOEs' executives during an online conference yesterday.

"SOEs hold key resources and are important economic drivers in Việt Nam's socio-economic development strategy," said the PM.

The government leader said Việt Nam's SOEs have grown by leaps and bounds in the last three decades of economic reform to form key pillars of the economy, especially during the pandemic.

He said priorities for SOEs in the near future are to identify limitations and shortcomings of current policies that hinder business performance. He said each and every SOE must find their way to initiate reform, address ongoing issues and find solutions.

Chính said many SOEs have not been able to fully realise their potential as well as make the most out of the resources at their disposal. He urged SOEs' executives to find ways to improve business performance, to assist the local economy and to stay focused on their key industries.

He said SOEs must pay more attention to the quality of human resources and the role played by central government agencies in charge of managing the State's shares.

Regarding the process of equitisation and reducing State capital in SOEs, he asked for a comprehensive study of ongoing problems including land-use evaluation, brand recognition and the public's reaction to said problems.

He said there have been mixed results in implementing reforms and managing SOEs' assets over the years. It's perhaps time for the government

to hold executives personally responsible for weak performance, delays and failure to cooperate with governmental agencies to find solutions in a timely manner.

Chính said they should be made top priorities, especially in the face of rising geopolitical risk levels, trade tension and the unpredictable COVID-19 pandemic. More than ever, SOEs must focus on building feasible action plans to improve productivity, competitive ability, sustainability and resilience to climate change.

Speaking at the conference, minister of planning and investment Nguyễn Chí Dũng said the adoption and development of technology and innovation should be made the highest priority for Việt Nam's SOEs as well as the implementation of breakthrough policies for key sectors of the economy.

"We must introduce strong policies to unleash the economic potential of SOEs, allowing for greater contribution to national development," said Dũng.

According to a report by the Ministry of Investment and Planning, there were nearly 500 SOEs in Việt Nam with the State being either sole stakeholder or major stakeholder, of which 94 were large-sized enterprises.

While accounting for just 0.08 per cent of the economy, SOEs with the State being the sole stakeholder controlled a significant amount of available resources with up to 7 per cent of total assets and 10 per cent of the total capital of the entire economy. On average, said SOEs held more than VNĐ6 trillion in assets, roughly 18 times the size of an average foreign-invested enterprise and nearly 140 times the size of an average enterprise.

The upside is many of such SOEs have been able to take advantage of the enormous resources available to them and managed to build strong products under internationally recognised brands in key industries such as telecommunications, transport, seaport and logistics.

Many of which have been consistently producing strong business performance with average pre-tax profit growth at 4.87 per cent annually in the 2016-20 period, significantly higher than that of the private sector at 1.26 per cent. They also accounted for 28 per cent of all contributions, taxes and fees, to the State's coffer and employed nearly 700,000 workers or 7.3 per cent of all employment.

The ministry reported SOEs accounted for up to 29 per cent of the entire country's GDP in 2020. SOEs were holding onto a dominant share in major up-and-coming markets such as energy, telecommunications and banking.

## 5. Companies seek doubling of overtime limit as severe labor shortage continues

Companies have called on the government to raise workers' overtime limit to 400-500 hours a year rather than the 300 lawmakers decided amid a persistent labor shortage.

Bach Thang Long, deputy manager of textile and garment maker Garco 10, called for the limits to be increased to 60 hours a month and 400 hours a year.

"Ninety percent of our [13,000] employees want to work overtime."

Vietnamese lawmakers Wednesday decided to increase the monthly overtime cap of a worker from 40 to 60 hours. The decision would take affect from April 1 till the end of the year.

It also increases the annual cap for overtime from 200 hours to 300 hours for almost all sectors. Currently only sectors that the government prioritizes for economic growth have an overtime cap of 300 hours.

Garco 10's plants face a severe labor shortage as 45 percent of workers have contracted Covid-19 since Tet, the Lunar New Year holiday starting February, and have to take 10-14 days off to recover, forcing the remaining employees to work overtime to complete orders.

"No one wants to work overtime, and not all industries need it all year round. But overtime is necessary for short-term, seasonal work."



Goertek, an electronic components manufacturer in the northern province of Bac Ninh with 32,000 employees, asked to increase the annual limit to 500 hours.

Its deputy director, Zhang Jian Hua, said the current limit is not enough for the high season or when there are urgent orders, and the leftover overtime from the low season cannot be carried over.

Without overtime, it is difficult to retain workers since they would move to other jobs with higher wages, he added.

Nguyen Van Nguyen, deputy manager at tile manufacturer Catalan Ceramics in the northern province of Bac Ninh, said workers "basically agree to work overtime" though he admits it is based only on anecdotal evidence.

Around 15 percent of the company's 800 workers contracted Covid-19 since Tet, and the remaining

workers have agreed to work overtime to take up the slack, he said.

Extending working hours by one or two hours a day "does not affect the workers much" since their jobs, mostly as machine operators, are light, he said.

"We have yet to default on any contract, but we have had to refuse a lot of opportunities because of the labor shortage."

Le Dinh Quang, deputy chief of the Vietnam General Confederation of Labor's socioeconomic policy and emulation department, said authorities should limit monthly overtime to 60 hours and not increase it to 72.

"Workers do not want to do overtime. They have to do it [only] to ... make ends meet."

Quang said increasing overtime limits is strictly a short-term measure to support recovery and only until the end of this year.

## 6. Hà Nội decides C9 metro station location

The Hà Nội People's Committee on Wednesday decided on the location of C9 station that is part of the planned Nam Thăng Long – Trần Hưng Đạo urban rail line (Line 2).

The station will be built outside of the protection area of Hoàn Kiếm Lake area as stated under the heritage law.

In the original plan, the main body of the station and one of its entrances was proposed to be entirely within the protection area of Hoàn Kiếm Lake and Ngọc Sơn Temple.

The plan did not receive the consent of the Ministry of Culture, Sports and Tourism or the National Assembly's Culture and Education Committee.

In the newly approved plan, the design and location of the station will be modified to comply with the heritage law while still ensuring technical feasibility, according to the Vice Chairman of the city People's Committee Dương Đức Tuấn.

"The city will adjust the investment policy, report to the Prime Minister for consideration, and make decisions and speed up the project," Tuấn said.

The underground station is now planned to be located under Đinh Tiên Hoàng Street, in front of the headquarters of the Hanoi Electricity Corporation and the city's People's Council and People's Committee.

The C9 Station has two gates, 202.4 m long, 15 m wide, and 31 m deep. The station structure is about 3 m from the nearest building.

The station is designed with four floors, in which the waiting hall and ticketing system are on the first floor, while its second and fourth floors will be for picking up and dropping off guests, and the third floor contains equipment.

The station location is 97m away from the Bút Tháp Tower. The station's entrance and exit are not in the historical site's protection area.

Tuấn said that the new plan also minimised the relocation of trees when constructing the station (digging), ensuring the relic site's landscape, cultural, and ecological environment.

The city is committed to using station construction methods that do not create vibrations and affect the monument.

In the middle of this month, the city proposed three options on the location of the C9 station.

The first option was selected, as the second was agreed by the city agencies and Hà Nội Metropolitan Railway Management Board but rejected by the culture ministry.

The third option was to remove the station altogether or be built later. However, there were fears this could cause technical issues and increase construction costs later.

The Urban railway line No. 2 was approved for a feasibility study report in 2008 and had a contract for consulting services signed in 2013.

The starting point of the route is at Nam Thang Long urban area (Ciputra), running through expanded Nguyễn Văn Huyền Street – Hoàng Quốc Việt – Hoàng Hoa Thám – Thụy Khuê – Phan Đình Phùng – Hàng Giấy – Hàng Đường – Hàng Ngang – Hàng Đào – Đinh Tiên Hoàng – Hàng Bài and ending on Huế Street.

The railway line is 11.5 km long, of which the elevated section is 2.6 km. The total investment of the adjusted project is more than VNĐ 34.670 trillion, using ODA loans of the Japanese Government and reciprocal capital from the state budget.

## 7. April-end holiday airfares take off

Airfares during the four-day holiday at the end of April have tripled, signaling increased demand for travel as the country reopens.

A return ticket from Hanoi to the southern island of Phu Quoc costs around VNĐ9.9 million (\$432.99) on Vietnam Airlines and VNĐ7.2 million on Bamboo Airways between April 29 and May 3.

These are three times the fares on normal days and 10-25 percent higher than during the same holidays last year.

Similar increases are seen on routes from Hanoi and Ho Chi Minh City to popular destinations such as Nha Trang and Quy Nhon in central Vietnam.

April 30 is Reunification Day and May 1 is International Labor Day, and they fall on a weekend this year, which means two days are added to the holidays.

Thu, owner of a ticket booking office in Hanoi's Cau Giay District, said many people in Hanoi and Ho Chi Minh City are also booking to Pleiku in the Central Highlands and Quang Nam and Phu Yen on the central coast.

"Tickets usually run out three days before the holidays, but this year that could happen sooner since airlines have not increased the flight frequency yet".

A spokesperson for an airline, who asked not be identified, said his carrier would announce more flights next week to meet the burgeoning demand.

The number of domestic tourists in February rose by 380 percent year-on-year to 9.6 million, according to the Ministry of Culture, Sports and Tourism.

Vietnam reopened to international travelers on March 15 after a two-year hiatus due to Covid-19.

## Corporate News

### 8. KDC: Leading food producer KIDO seeks 33 pct rise in profits

↑ 0.19%

KIDO, the leading producer of cooking oil and ice cream in Vietnam, expected to reap revenues and profits of VND14 trillion (\$612 million) and VND900 billion this year, up 31 percent and 33 percent, respectively.

Deputy Manager Nguyen Thi Xuan Lieu said given the current highly volatile market, the company will cut unnecessary costs, restructure, and diversify products and distribution channels to achieve the goals.

It also envisages expanding business to the dry foods and F&B sector with around 200-300 outlets nationwide, while also aiming for foreign markets.

Its bakery segment is set to launch new products to increase presence.

Vibev, the \$17.5 million beverage venture between KIDO and dairy giant Vinamilk, is also set to launch new products of tea and juice this year.

Last year, KIDO reported profits rose by 65 percent to VND688 billion on revenues of VND10.5 trillion, thanks to higher sales and new solutions in importing materials.

### 9. D2D: D2D sets a goal of after-tax profit in 2022 to go back 50%

↓ -0.66%

According to the Annual Report 2021, Industrial Urban Development Joint Stock Company No. 2 (HOSE : D2D ) sets its 2022 revenue and profit plan simultaneously backwards compared to the previous year.

Specifically, the Company is expected to bring in nearly VND 428 billion in total revenue and more than VND 121 billion in profit after tax in 2022, down 17% and 50% respectively compared to the previous year.

Returning to the business situation in 2021, D2D recorded net revenue of more than 472 billion dong, up 32% over the previous year and net profit of nearly 243 billion dong, down 9%. In terms of revenue structure, real estate business accounted for 77%, land leasing and industrial park infrastructure accounted for 13%, financial activities from deposit interest accounted for 8%, the rest was other revenue. D2D said that the revenue and profit fluctuations in 2021 are mainly from the business performance of the Loc An Residential project.

In 2021, D2D targets total revenue of VND 502 billion and profit after tax of VND 268.7 billion. Thus, compared with the plan, the unit has achieved 90% of the profit after tax target and completed the revenue target of 2021.

In addition, the unit also plans to pay a dividend in 2022 at the rate of 30%, equal to the dividend expected to be paid in 2021.

In 2022, the Company also plans to continue to implement 8 old projects which are Nhon Trach 2 Industrial Park, Long Thanh Market, Loc An Residential Area, Loc An Social Housing, Thong Nhat Ward Residential Area, and Industrial Park. Chau Duc Industrial Park, Chau Duc Factory, 28 Shophouse Project Chau Duc Residential Area (Investment Cooperation). The total investment value of projects in 2022 is more than 334 billion VND.

In which, D2D made the biggest investment in Loc An Social Housing Project (4 blocks of 10 floors). This project has a scale of 3.82 hectares in Loc An commune, Long Thanh district, Dong Nai province.



D2D is expected to spend VND 154 billion to invest in Bolck apartments in areas D1, D2 and basic design costs.

Regarding the development of new projects, D2D will focus on infrastructure development and urban embellishment in Bien Hoa City. In addition, the Company will research and implement projects

related to housing for workers in the Industrial Park and social housing.

On the market, D2D stock closed March 24 at 60,500 VND/share, down 13% compared to the record peak of 11/01 session (69,400 VND/share), the average trading volume was more than 1 million shares/session.

**Research Team:**                      **Tsugami Shoji**      *Researcher*                      [jsi@japan-sec.vn](mailto:jsi@japan-sec.vn)

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***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)*