



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Blue chip stocks hit highest in weeks

Vietnam's benchmark VN-Index rose 0.16 percent to 1290.01 points Monday with a double-digit surge in trade as blue chip stocks climbed to the highest in weeks.

The index closed two points higher after losing nearly one point on Friday.

Trading on the Ho Chi Minh Stock Exchange (HoSE) increased by 31 percent to VND16.94 trillion (\$730.64 million).

The VN-30 basket, comprising the 30 largest capped stocks, saw 11 tickers gained.

GAS of state-owned Petrovietnam Gas rose 4.6 percent to a new peak, having increased by 37 percent in the last three weeks.

MSN of conglomerate Masan Group went up 3.7 percent to the highest in over a month.

PLX of fuel distributor Petrolimex gained 3.2 percent to the highest in over a month.

Sixteen blue chip stocks fell, with TPB of private TPBank losing 3.6 percent.

STB of Ho Chi Minh City-based lender Sacombank dropped 3.1 percent, while NVL of real estate developer Novaland Group lost 1.5 percent.

Foreign investors were net buyers to the tune of VND44 billion, mainly buying DPM of Petrovietnam Fertilizer & Chemicals Corporation and Binh Son Refining and Petrochemical Jsc (BSR).

The HNX-Index at the Hanoi Stock Exchange, where mid and small caps list, was down 1.18 percent while the UPCoM-Index at the Unlisted Public Companies Market fell 0.29 percent.

## Macro & Policies

### 2. Sharp passenger, goods hike in aviation

As many as 40.7 million passengers, including 1.8 million foreigners, have gone through airports across the country so far this year, representing year-on-year rises of 56.8 percent and 904.6 percent, respectively, according to the Civil Aviation Authority of Vietnam (CAAV).

Meanwhile, domestic and foreign flights from and to Vietnam carried an estimated 765,000 tonnes of goods, up 30.6 percent from the same period last year.

Domestic carriers served 20.1 million passengers in the reviewed period, up 56.1 percent compared to the same period last year. Of them, 667,000 were foreigners, up 1.033 percent, while the increase of domestic travelers was 51.8 percent.

Airports across the country are expected to serve 87.8 million passengers and handle 1.5 million tonnes of goods in 2022, up 190 percent and 5 percent compared to 2021.

### 3. Building stable labour supply chain a key solution to post-pandemic recovery

Building stable labour supply chains with labourers put at the centre of all policies and emphasis laid on ensuring income and social security is one of the solutions to post-pandemic economic recovery, heard a seminar in the framework of the 4th Việt Nam Economic Forum held in HCM City on Sunday.

Deputy Minister of Labour, Invalids and Social Affairs Lê Văn Thanh said the pandemic has left negative effects on the labour market and labourers' jobs and incomes.

Supply decreased sharply while the number of labourers with jobs dropped to the lowest level for many years. The number of labourers with jobs stood at 49.07 million in the fourth quarter of 2021, down 1.79 million from one year ago.

The unemployment rate peaked in Q3 of 2021 at 3.98 per cent, equivalent to over 1.7 million people. The rate in urban areas reached a record 5.54 per cent in the same quarter.

The average monthly income of labourers dropped from VNĐ6.7 million in 2019 to VNĐ5.3 million in 2021.

In particular, there has been a reverse trend in the labour structure, with 1.3 million labourers moving from urban areas to rural areas and from big economic hubs to localities.

The deputy minister said although most sectors and fields have entered the recovery period and begun to record growth again, labour supply remains limited, unable to meet demand, especially the demand for skilled personnel.

Some localities and industries are facing a labour shortage, particularly textile-garment, electronic assembling, wood processing, and tourism and education.

Vice-chairman of the Vietnam General Confederation of Labour Ngô Duy Hiếu underlined the need to create a favourable environment for the labour market to recover and develop, calling for early reform of policies on wage, social security, and social housing.

He also suggested reforming policies on investment attraction to prevent the concentration of too many investment projects in a locality, which puts pressure on the local infrastructure while causing a local labour shortage.

Meanwhile, Ingrid Christensen, director of the International Labour Organisation (ILO) in Việt Nam said that after the pandemic, the clear and comprehensive solution to recovery is based on the four fundamental pillars of economic and employment growth, protection for all workers, global social security, and social dialogue.

The good news is that Việt Nam is on the right track in implementing these four pillars simultaneously, she added.

Việt Nam has achieved remarkable results in modernising labour laws, expanding the scope of social security, and improving the database of the labour market. The country has also been making effort to enhance the workforce skills to better fit the evolving labour market in a transforming economy.

Employment and the fundamental rights to work is one of the key instruments through which individuals can be integrated into society, and contribute to its development. In this regard, comprehensive and effective employment, along with freedom of choice are among the key strategic goals for the country's 2030 and 2045 agendas.

#### 4. Vietnam's aquatic product exports to China to grow this year: official

Vietnam's aquatic product exports to China are expected to rise positively this year, said Nong Duc Lai, Commercial Counsellor at the Vietnamese Embassy in China.

He attributed it to the fact that there is still room to grow for Vietnamese aquatic product exports in the Chinese market.

The demand of the 1.4-billion-people market will recover quickly when restrictions on entertainment services and tourism activities are loosened after the COVID-19 pandemic is put under control, Lai said.

Vietnamese enterprises who involved in this sector are rapidly responding to information and market needs and meeting regulations of the Chinese market. Recently, China Customs has granted codes for many Vietnamese enterprises to enable them to participate in exporting aquatic products to this market, he said.

The exports of aquatic products recorded a year-on-year increase of 117.6 percent in the first four months of this year, accounting for nearly 9 percent of China's total aquatic product imports.

Dr Makiko Matsumoto, employment specialist at the ILO office in Bangkok, Thailand added that the recovery of the labour market should be people-centric. In specific, it is necessary to increase the workers' capacity, strengthen institutions, and promote inclusive economic growth as well as adequate, sustainable work for all.

Vice chairman of HCM City People's Committee Dương Anh Đức shared the city's experience in keeping labourers. He said taking care of labourers' life, both material and spiritual, during the pandemic has helped workers stay with their employers, allowing enterprises to quickly resume operation and avoid disruption in labour supply.

According to the official, some batches of aquatic products imported from Vietnam, including tra fish (pangasius), to China were found to contain SARS-CoV-2 virus on their packagings. To tackle the issue, the Vietnamese Trade Office in Beijing have regularly maintained contact with relevant units of China Customs to exchange information and notify domestic authorised agencies to minimise damage to enterprises.

Lai emphasised that although the COVID-19 pandemic in Vietnam has been basically controlled, domestic enterprises must continue to strictly follow the regulations of the government and relevant agencies on COVID-19 prevention and control; guidelines of the Food and Agriculture Organisation of the United Nations (FAO), the World Health Organisation (WHO) and China on prevention of SARS-CoV-2 virus infection during the process of production and packaging.

It is necessary for them to strengthen control on quality, food safety and hygiene to ensure that Vietnamese aquatic products are no longer warned of being infected with the virus or violating Chinese food safety standards, he said.

## 5. Experts at odds on inflation threat

Economists are divided on how the government should handle the rising inflation amid global headwinds.

Deferring public spending due to fear of inflation would mean frittering away opportunities, and officials "need to think unconventionally during unusual circumstances," Tran Dinh Thien, former head of the Vietnam Institute of Economics, said at the Vietnam Economic Forum Sunday.

The economy has the momentum to recover, he assured.

Even if the government does not pump more money into the economy, inflation would rise as it is out its hands, he claimed.

The government could simply accept an inflation rate of more than 4 percent and pump more funds into the economy, he added.

Inflation in the first five months hit 2.25 percent against 1.29 percent in the same period last year.

Of the 11 main categories of consumer goods and services, 10 saw prices rise in May, mostly because gasoline prices rose and had a knock-on effect on others.

Lender HSBC said in a note last month that inflation would only be 3.7 percent this year, well under the government's cap of 4 percent.

But Vu Thanh Tu Anh, dean of the Fulbright School of Public Policy and Management, is concerned the rate would be higher.

Russia-Ukraine war and inflation of over 8 percent in the U.S. and the E.U. are causes of concern, he said.

Vietnam has yet to face the full brunt of this since there is usually a lag, he said.

Pumping more money into the economy at this time could have negative consequences, and the country should be careful with its monetary policy, he warned.

Foreign experts said Vietnam should continue to watch the impact of global inflation.

Andrew Jeffries, country director for the Asian Development Bank in Vietnam, said the easy monetary policy in the U.S. and the E.U. could cause fuel prices to rise.

Francois Painchaud, the International Monetary Fund's representative in Vietnam, said the country could not relax its monetary policy now, and banks should increase reserve requirements.

## 6. Da Nang promotes potential in tourism, aviation, logistics

The central city of Da Nang on June 5 held a forum themed "Da Nang- Potential investment destination in Asia" within the framework of the ongoing Asian route development forum (Route Asia 2022), drawing 80 delegates representing international airlines, travel firms and tourism groups and associations.

Opening the event, Vice Chairman of the municipal People's Committee Tran Phuoc Son said that the forum aimed to promote the potential, advantages and investment opportunities of the city in aviation, aerospace and logistics, and introduce

infrastructure capacity of the Da Nang International Airport in the 2021-2030 period.

He underlined the importance of the event when the city is rolling out measures to promote socio-economic recovery and development after two years of impacts from the COVID-19 pandemic.

Da Nang has been one of the top localities of Vietnam in economic scale and development level, he said, noting that in the 2016-2019 period, the city's gross regional domestic product (GRDP) growth reached

7.79 percent per year. In the first six months of 2022, the figure is estimated at 7.23 percent.

Good signs of recovery have been seen in the city's tourism activities, said Son, adding that the city has connected with six airlines and reopened four direct air routes with Singapore, Bangkok (Thailand), Kuala Lumpur (Malaysia) and Incheon (the Republic of Korea). The city has also hosted many large-scale cultural and tourism activities, he said.

According to the official, Da Nang's investment environment has been dynamic and smooth, with strong performance in the provincial competitiveness index, administrative reform index, information technology application index, and smart city building and digital transformation.

He highlighted that Da Nang is focusing on boosting development on three major pillars of tourism, high-tech industry and sea-based economy.

At the forum, participants discussed the potential of Da Nang tourism, the planning schemes of logistics centres in the city, infrastructure capacity of the Da Nang International Airport, and projects that are calling for investment in the Da Nang High Tech Park in the fields of aviation and aerospace.

Son expressed his hope that the forum would give delegates a new perspective of Da Nang not only in tourism but also in many other potential areas and that the participants would find new business and connection opportunities through the event.

Routes Asia 2022 is co-hosted by Informa Routes company of the UK, the Da Nang municipal People's Committee and Duy Anh Trading JSC - IPP Travel Retail from June 4 – 8. The event welcomed over 500 domestic and foreign delegates, including air route network planners from over 80 leading airlines in the region. More than 1,500 meetings between stakeholders, including airlines, airports and destinations, have been arranged in the framework of the event.

Da Nang authorities have planned 22 meetings with partners at the event, including International Airlines Group, AirAsia Group, Thai Vietjet Air, Eva Air, Lion Air, Philippine Airlines, Airports Authority of India (AAI), Malaysia Airlines, and Japan National Tourism Organisation to promote the opening of international routes to Da Nang, and introduce Da Nang's tourism to potential markets.

## 7. VN aims to attract half of Fortune Global 500 by 2030

Việt Nam wants to attract up to 50 per cent of the Fortune-listed 500 global largest corporations in the future, according to a governmental decree recently signed by Deputy Prime Minister Phạm Bình Minh on the country's investment and cooperation strategy in the 2021-30 period.

It aims to increase registered investment capital in Việt Nam by large corporations from the Asia region such as China, India, Malaysia, Singapore, and Thailand; from Europe such as France, Germany, Spain, Russia, and the UK as well as the US by 70-75 per cent by the end of 2030.

The Southeast Asian economy has also set a goal to be among the bloc's top three and the world's top 60 countries in the World Bank's Ease of Doing Business rankings.

Key elements of the strategy include: the establishment of a fair, streamlined, and transparent investment and business environment, improved economic efficiency and competitiveness, strengthened cooperation with foreign partners to develop the country's industrial infrastructure, finding new markets for made-in-Việt Nam products, making full use of numerous free trade agreements, investing in R&D activities as well as the development of innovation and creativity culture.

Việt Nam is to continue upgrading and modifying its legal frameworks to govern FDI activities with priority given to high-tech industries and the interconnectedness of economic zones across the country.

The development of supporting industries has been identified as a key target in the country's



industrialisation process. Measures are to be taken to strengthen cooperation between large multinational corporations and domestic industries and to facilitate the transfer of technology.

Việt Nam is to continue support for the development of small-to-medium-sized enterprises (SMEs), especially for tech startups and firms in manufacturing, telecommunication, and finance as well as to seek ways to increase Vietnamese labour productivity.

The government considers the collaboration between FDI and domestic firms as the cornerstone for high-tech transfer and the application of science and technology for national building efforts during the periods.

The Southeast Asian country is to stay on course with the current ambition of greater economic integration and bolstering its position in the global economy. The government is to fully support Vietnamese firms during the process of integration

while protecting the rightful interests of the State, businesses, and consumers in potential legal and economic disputes.

Việt Nam is to remain steadfast in its effort to create the most favourable environment for FDI investments through multiple channels and dialogues. The government is willing to listen and exchange ideas with potential and existing foreign investors and business partners on ways to improve the country's potential to attract investments.

Meanwhile, the government must step up an effort to inspect, oversee and manage FDI projects that cause environmental and financial damage, projects that failed to take off as promised, or are considered inefficient for a prolonged period of time.

Most importantly, the strategy reiterates Việt Nam's commitment to overseeing investment, and mergers and acquisitions activities by FDI businesses to ensure the country's key national interests and security concerns.

## Corporate News

### 8. KBC: Stock issuance to raise capital from the owner's equity

↓ -1.91%

On June 01, 2022, Kinh Bac City Development Holding Corporation announces the stock issuance to raise capital from the owner's equity with details as follows:

- Stock name: Kinh Bac City Development Holding Corporation
- Stock type: common share
- Par value: 10,000 dong
- Number of shares issued: 575,711,167 shares
- Number of outstanding shares: 575,711,167 shares
- Number of treasury shares: 0 share

- Number of shares expected to be issued: 191,903,722 shares
- Total value (based on par value): 1,919,037,220,000 dong
- Exercise ratio: 3:1 (Shareholder who owns 03 shares will receive 01 new share).
- Plan to deal with fractional shares: The distributed shares will be rounded down to units, the fractional shares will be cancelled.
- Record date: June 22, 2022.

### 9. MWG: Stock issuance for dividend payment

↑ 0.98%

On June 01, 2022, Mobile World Investment Corporation announces the stock issuance for dividend payment to existing shareholders as follows:

- Stock name: Mobile World Investment Corporation
- Stock type: common share
- Par value: 10,000 dong
- Number of shares issued: 732,024,465 shares
- Number of outstanding shares: 731,854,815 shares

- Number of treasury shares: 169,650 shares
- Number of shares expected to be issued: 731,854,815 shares
- Total value (based on par value): 7,318,548,150,000 dong
- Issue ratio: 1:1 (Shareholder who owns 01 share will receive 01 new share).
- Plan to deal with fractional shares: The distributed shares will be rounded down to units. Due to the exercise ratio of 1:1, so there are no fractional shares.
- Record date: June 17, 2022..



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