



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. VN-Index inches up

Vietnam's benchmark VN-Index rose 0.7 percent to 1,182.17 points Thursday with two-thirds of blue chips ending in the green.

The index closed 8.25 points higher after losing 0.9 points Wednesday.

Trading on the Ho Chi Minh Stock Exchange fell by 5 percent to VND10.97 trillion (\$468.4 million).

The VN-30 basket, comprising the 30 largest capped stocks, saw 21 tickers gain.

KDH of housing developer Khang Dien rose 4.1 percent, its biggest one-day jump since May 17.

SSI of leading brokerage SSI Securities and GVR of Vietnam Rubber Group followed, gaining 3.9 and 2.9 percent, respectively.

Other winners included GAS of Petrovietnam Gas, up 2.6 percent, and CTG of lender VietinBank, up 1.7 percent.

Six tickers bucked the trend, with MWG of electronics retailer Mobile World losing 1.6 percent.

VRE of Vingroup's mall operator arm Vincom Retail dropped 0.8 percent.

TCB of private lender Techcombank and HPG of steel giant Hoa Phat both closed 0.4 percent lower.

Foreign investors were net buyers to the tune of VND146.05 billion, focusing on MWG, STB of lender Sacombank, and CTG.

The HNX-Index at the Hanoi Stock Exchange, where mid and small caps list, was up 1.20 percent while the UPCoM-Index at the Unlisted Public Companies Market was up by 0.11 percent.

## Macro & Policies

### 2. UK hands over national trade repository to Việt

The British Government handed over the Vietnam national trade repository (VNTR) to the Vietnamese at a ceremony on July 13.

The project was launched in 2020 under a letter of intent signed by the Vietnamese Ministry of Industry and Trade (MoIT) and the British Department of International Trade. The British side provided technical assistance for Việt Nam.

It demonstrates the Vietnamese Government's resolve to enhance trade commitment and policy transparency to help enterprises build business strategies, and improve competitiveness and capacity for joining global production and supply chains, MoIT Minister Nguyễn Hồng Diên said.

The VNTR provides information free of charge in both English and Vietnamese, covering tariff commitments in free trade agreements (FTAs) within the Association of Southeast Asian Nations (ASEAN), to which Việt Nam is a signatory, most favoured nation (MFN) tariff, rules of product origin

and non-tariff measures, along with trade documents.

It also introduces the best trade facilitation practices applied by ASEAN members, along with the lists of businesses given priority in handling tax, export, import, and customs clearance procedures in the member countries of the ASEAN Trade in Goods Agreement (ATIGA) and the FTAs between ASEAN and partner countries.

According to the ATIGA, each member country will build its own national trade repository, which is connected with the ASEAN Trade Repository ([atr.asean.org](http://atr.asean.org)) to ensure policy transparency, facilitate regional trade, and support businesses.

Diên thanked the Government, the Foreign, Commonwealth & Development Office, and the Embassy of the UK in Việt Nam, along with relevant Vietnamese ministries and agencies, for their support and coordination while building the repository.

### 3. ASEAN Online Sale Day 2022 to take

The Association of Southeast Asian Nations (ASEAN) Online Sale Day 2022 is scheduled to be held from August 8 -10 to mark ASEAN's 55th founding anniversary, according to the Vietnam E-commerce and Digital Economy Agency under the Ministry of Industry and Trade.

This year's programme will be co-chaired by Cambodia, which is the Chair of ASEAN in 2022, Singapore and Việt Nam.

The ASEAN Online Sale Day is the first online shopping event that will be conducted collectively on a region-wide scale and has been held annually since 2020. It offers a good opportunity for enterprises across ASEAN to promote their products and increase their sales via e-commerce in the region.

The event comprises two tiers for domestic and cross-border transactions.

Reputable e-commerce businesses and platforms in the 10 ASEAN countries will launch a series of special discount shopping programmes for consumers in that country.

Enterprises and platforms will coordinate to implement a cross-border online shopping programme among the ASEAN countries.

In the context of post-pandemic economic recovery and participation in new generation free trade agreements, the ASEAN Online Sale Day 2022 will be an important step for ASEAN to show solidarity and promote its potential for e-commerce and online

transactions, access favourable policies, improve the value of products and services of enterprises.

#### 4. Việt Nam's economy is developing rapidly: expert

According to the General Statistics Office, in the first six months of the year, Việt Nam's economy showed signs of growth, such as a strong increase in the service industry and a rising number of newly-established enterprises.

In the first six months, Việt Nam's GDP grew by 6.42 per cent on year, with GDP growth in the second quarter at 7.72 per cent on year - the highest level for the past 10 years.

Meanwhile, global economic growth has been forecast to decrease after the COVID-19 pandemic and due to the conflict between Russia and Ukraine.

Dr Trần Thị Hồng Minh, director of the Central Institute for Economic Management (CIEM), Ministry of Planning and Investment, spoke to Vietnam News Agency about the prospects for economic recovery.

Việt Nam's economy has seen an impressive recovery in the first six months with many positive indicators. Which sector had the most impressive growth in the first half of this year?

During the six months, there were many sectors that overcame difficulties caused by COVID-19.

Việt Nam in the first half of this year achieved impressive growth of 17 per cent in exports and 15 per cent in imports compared to the same period last year.

It showed that Vietnamese enterprises had a strong recovery and the Government has introduced policies relating to economic integration via new-generation free trade agreements.

Those agreements have had very positive effects on economic activities in general as well as on import and export activities.

Another point is that the number of newly-established enterprises in the first six months of the year also surged by 14 per cent on year to more than 70,000. The number of businesses returning to the market also increased strongly by 55 per cent to about 40,000.

According to CIEM's survey, 85 per cent of enterprises in the processing and manufacturing sector believed that there would be good trends in their production and business.

What was the role of the Government in the recovery?

The Government has had effective policies in the prevention of COVID-19, as well as policies of opening borders, opening air routes as well as economic recovery, such as Resolution 11 on economic recovery and development programme. With this programme, the businesses can get timely support from the Government in accessing capital and favourable policies to restore and develop production after many waves of the pandemic.

Which sectors still had low growth after the pandemic?

There were still sectors that suffered the impacts of the pandemic in general and also other difficulties of the domestic and world economies.

For example, in the tourism industry, the number of domestic tourists had high growth in the first six months of the year, especially in the last month of the first half.

However, the segment of foreign tourists was still low. The number of foreign tourists in the first six

months had a growth rate of 5 per cent. This was due to the pandemic, inflation and different policies in preventing COVID-19 in other countries. The number of foreign tourists is expected to increase in the second half of this year.

What risks does the Vietnamese economy face?

In the last six months of this year, besides the advantages, Việt Nam's economy still faces many risks and challenges. First, Việt Nam still has to spend a lot of time and resources to control the COVID-19 pandemic most effectively.

Secondly, from now until year-end, other diseases such as monkeypox and dengue fever will still create risks to the domestic economy.

Besides that, there are still problems related to inflation. Inflation not only occurred in the first six months of this year, but from 2021, this issue attracted great concern among many governments when commodity prices increase.

Last year, according to an international economic organisation, there were goods having price increases of 60-70 per cent.

In the first six months of 2022, inflation is still present, causing many negative impacts on world economies, for example, France and the US are facing the highest inflation in the past 40 years.

Việt Nam also faces risks because the pandemic has disrupted the supply chain, affecting production and business, and input materials, so the price of raw materials has increased. The conflict between Russia and Ukraine has partly led to rising inflation.

Therefore, one of the Government's goals is to control inflation as much as possible to support businesses and people to overcome difficulties in this period.

Public investment is considered an important factor to promote economic development. However, in the first six months of the year,

disbursed public investment capital was very low. What are the solutions for this issue?

Recently, the Government has established six working groups of local ministries and sectors to strengthen supervision and promote public investment.

We believe that to gain efficiency in public investment, it is necessary to strengthen management ability for public investment projects and clarify the responsibilities of the processes in the disbursement of public investment.

In addition, Việt Nam must improve the institutional system supporting public investment, including the public investment law and related laws such as land law and mineral law.

Việt Nam needs a comprehensive solution package to effectively disburse public investment in the future.

How do you forecast the ability to fulfil the economic growth target?

In the context of many fluctuations in the domestic and global economy, Việt Nam needs to restructure the economy. This issue is already present in the Resolution on economic renewal approved by the National Assembly at the end of 2021 and is currently being implemented in localities around the country.

In addition, the Ministry of Planning and Investment has directed CIEM to research a new economic growth model based on taking advantage of Industry 4.0.

In April and June, the ministry submitted two important projects to get approval from the Government: a scheme on linking regions to exploit the potentials of localities; and a circular economy development project.

Those short- and medium-term solutions are expected to help Việt Nam achieve the economic growth target of 6.5 per cent in 2022. VNS

## 5. Fuel price cuts fail to drag prices down

Gasoline prices may have fallen by 10 percent on Monday, but to many people's chagrin this has not had a knock-on effect on other prices.

Three days after fuel prices fell, Hanh, owner of a chicken pho restaurant in Hanoi, has yet to adjust prices downward. A bowl of pho still costs VND40,000-60,000 (\$1.7-2.6), up VND5,000-10,000 from June.

He blamed it on the high costs of other items, especially chicken. "A kilogram of chicken still costs me VND110,000-120,000, and so I cannot lower my prices."

In HCMC too, food stalls have yet to cut prices after having raised them earlier to cope with higher fuel and other costs.

Gasoline prices have only fallen by 10 percent after a 35 per cent hike since mid-April, eateries pointed out, adding they therefore have to wait for further fuel price cuts before reducing their prices.

Prices of fresh foods at traditional markets are also unchanged. Hoa, a vegetable seller in HCMC's Binh Thanh District, said prices are unlikely to fall since heavy rains have affected supply.

A butcher in HCMC's Go Vap District, also called Hoa, said he could not cut pork prices further since he is already selling at cost.

"Prices of pig of the hoof will probably increase in the next few days, and so retail pork prices are unlikely to fall. Animal feed costs have risen significantly in the first half of this year."

Nguyen, a butcher in a market in Hanoi, said, "Due to bad weather, low demand and higher costs, I suffer losses most of the time."

Gasoline only accounts for 20 percent of fresh food prices, while labor input costs are rising, Hoang, a wholesaler in HCMC, said.

Truong Chi Thien, director of egg producer Vinh Thanh Dat, said the costs of animal feed, labor and packaging have risen by 20-40 percent from last year.

"Egg prices will only decline if input costs fall."

Dinh Trong Thinh, a lecturer at the Academy of Finance, said there would be a lag between changes in gasoline prices and those of other goods.

Despite two recent cuts, gasoline prices remain at nearly VND30,000 a liter, up 25 percent from last year, and so it is understandable that producers, suppliers and retailers have yet to cut prices, he added.

## 6. Online conference promotes Việt Nam-Algeria trade

The Việt Nam Trade Promotion Agency (Vietrade) held a virtual conference to promote Việt Nam-Algeria trade and business cooperation on Wednesday.

Hoàng Minh Chiển, deputy head of the agency, said Algeria was one of the potential markets for Vietnamese goods in Africa, especially for coffee, peppercorn, cashew nuts, and freshwater aquatic

products, which Algeria has a high demand for but cannot produce.

Notably, coffee, accounting for 65 per cent of Việt Nam's total shipments to Algeria, is predicted to be the top Vietnamese product for export.

Rice also sees good prospects as Algeria imports 100,000 tonnes of rice annually.

Chiến said the two countries' trade value remained modest compared to their potential and strength. The figure was US\$153 million last year due to the impact of the pandemic.

In the first half of this year, Việt Nam exported \$71.16 million worth of goods to Algeria, mostly seafood, coffee, peppercorn, rice, chemical products and metal.

Hoàng Đức Nhuận, Trade Counselor of Việt Nam in Algeria, said bilateral cooperation was maintained over the past six decades across sectors and improved with the expanded exchange of delegations.

The two sides have signed many important agreements on bilateral trade, maritime transport,

trade promotion, and visa exemptions, among others.

However, economic collaboration remains challenging due to the distance and high transport costs.

Nhuận suggested the two governments complete related legal frameworks, establish the Việt Nam-Algeria business council and enhance the role of their competent agencies.

More forums and conferences to raise public awareness of the trade potential should be organised, while Vietnamese and Algerian firms should join trade fairs to find partners for linkage and investment, he added.

## 7. Fertilizer imports from Russia rise by 60 percent

Vietnam imported US\$86.8 million worth of fertilizer from Russia in the first five months, up 60 percent year-on-year.

Russia accounted for nearly a 10th of Vietnam's total fertilizer imports at 180,000 tons, second only to China, which accounted for nearly 40 percent, according to data from the Ministry of Agriculture and Rural Development.

Bui Minh Truong, chairman of Swissfertz Vietnam, a leading NPK fertilizer importer from Russia, said Vietnam could import 300,000-400,000 tons a year from the European country if transportation becomes easier.

Then, fertilizer prices would drop in Vietnam, reducing the burden on farmers and consumers, he added.

Speaking to VnExpress, the Russian consul general in HCMC, Timur Sadykov, said trade between the two countries, which grew by 26 percent in the first half of this year, would have more favorable terms in the second.

"Russia and Vietnam have just launched a maritime trade route between Vladivostok and Hai Phong, and the two are negotiating a railway route via China."

Fertilizer prices have fallen in Vietnam recently due to lower global prices and demand since it is the harvest season.

There is a high chance prices would go back up when the cropping season begins, besides which the prices of coal and gas, the two main materials for fertilizer production, have shown signs of rising.

## Corporate News

### 8. CRE: Cen Land closes the right to offer 1:1 shares and offers 30% stock bonus

↑ 6.79%

Cen Land will issue 201,559,449 shares with the ratio 1:1 and the offering price is 10,000 VND/share. Time to transfer the right to buy from August 24 to September 9, 2022.

Time to register to buy and pay from August 24 to September 13, 2022.

### 9. VNM: Notice of withdrawal of ESOP share

↓ -0.14%

Viet Nam Dairy Products Joint Stock Company announces the plan for repurchasing ESOP shares as follows:

- Number of treasury shares before trading: 0 shares
- Number of shares registered for repurchase: 572 shares

- Trading method: not through the floor
- Buying price: equal to the issue price (VND37,720/share)
- Daily trading volume: 572 shares.



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