



VIETNAM DAILY NEWS

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Market Analysis

1. Stock trading hits 4-week high

Vietnam's benchmark VN-Index surged 1.34 percent to 1194.14 points Wednesday with trading hitting the highest in four weeks.

The index closed 15.8 points higher after gaining 1.8 points on Tuesday.

Trading on the Ho Chi Minh Stock Exchange (HoSE) increased by 25.8 percent to VND14.17 trillion (\$605.04 million), highest since June 21.

The VN-30 basket, comprising the 30 largest capped stocks, saw 28 tickers gain.

TPB of private TPBank rose 4.8 percent to the highest since June 10.

SSI of leading brokerage SSI Securities Corporation gained 3.1 percent, and PNJ of Phu Nhuan Jewelry went up 2.8 percent.

Other gainers included GVR of Vietnam Rubber Group, FPT of IT giant FPT Corporation and BID of state-owned lender BIDV.

VIC of biggest private conglomerate Vingroup was the only blue chip stock that dropped in this session with a 0.9 percent decline.

Foreign investors were net buyers to the tune of VND193.8 billion.

The HNX-Index at the Hanoi Stock Exchange, where mid and small caps list, was up 1.56 percent while the UPCoM-Index at the Unlisted Public Companies Market was up by 1.13 percent.

Macro & Policies

2. Electronics industry labor stuck low down in value chain

Most of Vietnam's 1.3 million electronics workers perform simple tasks classified as low-value manufacturing, the Vietnam Chamber of Commerce and Industry has said.

The electronics sector accounted for a third of total exports at US\$108 billion last year, and employed 1.3 million workers.

But most were "cheap labor" who performed simple tasks, Tran Thi Hong Lien, deputy director of the VCCI's Bureau of Employer Activities, said.

"Around 5 percent of companies said their workers do not meet basic skill requirements," he said, citing a survey of 44 firms done by the VCCI and the International Labor Organization last year.

Sixty percent of the respondents said the lack of skilled workers was "a moderate to serious" challenge, and 50 percent viewed the lack of professional skills of supervisors and managers a "big challenge".

Most workers in the industry are somewhat skilled, doing simple assembly tasks.

But it remained one of the most attractive employers with an average salary of VND7.2 million (\$307), higher than the garment and mechanical sectors.

It was also the country's biggest employer providing 8.66 percent of all jobs last year, Nguyen Xuan Tuong, deputy head of the Department of Industrial Relations and Wages, said.

Half of all workers in the electronics sector worked over 48 hours a week, he said.

"Long working hours precluded training and entertainment," he said, suggesting employers should talk with their workers.

Vietnam is one of the biggest beneficiaries of the manufacturing exodus from China, Nikkei Asia newspaper said.

The country is becoming one of the most prominent new locations for global manufacturers, with the biggest smartphone producers, Apple, Samsung and Xiaomi, all having assembly lines there.

Lien said the government should offer incentives to electronics companies for training workers.

Do Thi Thuy Huong of the Vietnam Electronic Industries Association called on the government to support local companies that enter the supply chain and to keep away "low-quality" FDI.

3. Economic growth set to hit 10 pct in Q3: VinaCapital

Vietnam's GDP growth is set to exceed 10 percent in Q3 due to the low base in the same period last year caused by Covid-19 restrictions, investment fund VinaCapital forecasts.

"We believe that a 10 percent year-on-year GDP print for Q3 would be a major catalyst for investors to pour money into Vietnam's stock market, with the only caveat to the very bright outlook for Vietnam's GDP growth being the on-going slowdown in U.S. GDP growth," said VinaCapital Chief Analyst Michael Kokalari in a note.

This slowdown in the U.S. economy, Vietnam's biggest export market, is weighing on demand for "made in Vietnam" products like TVs, furniture, and smartphones, and export growth to this market slowed down from 50 percent in the first half last year to 23 percent this year.

Inflation in Vietnam is still modest at just 3.4 percent year-on-year at the end of June, and this stems in part from the fact that Vietnam produces more than enough food to feed its citizens.

Inflation is likely to remain well within the range targeted by the State Bank of Vietnam at 4 percent. Some listed companies have seen earnings rise in their post-pandemic recovery.

The surge in domestic consumption propelled the earnings growth of consumer discretionary companies listed on the stock exchange, including electronics retailer Digiworld (DGW) and jewelry retailer Phu Nhuan Jewelry (PNJ), which both

achieved 50-60 percent increases in their first-six-month earnings.

The resumption of tourism has helped double Airports Corporation of Vietnam (ACV)'s earnings, while FPT Retail saw earnings surge five times.

VinaCapital has also lifted its growth forecast for Vietnam from 6.5 percent to 7.5 percent.

Last year, growth was 2.6 percent.

4. HSBC report dubs 10 startups 'emerging giants'

A report by HSBC and auditing firm KPMG labels 10

startups as "emerging giants" amid a surge in entrepreneurship driven by a young population and supportive government policies.

Property platform Propzy, blockchain game developer Sipher and e-commerce platform Sendo secured the top three places in Vietnam in the 2022 Emerging Giants in Asia Pacific report, which looks individually at 12 markets.

They were followed by healthcare platform Jio Health, edtech company Clevai, online fashion brand CoolMate, and human resources platform EveHR.

Delivery firm Lozi, Fintech startup VUI and real estate platform HomeBase round off the list.

The number of startups in Vietnam has nearly doubled from 1,600 before the Covid-19 pandemic to more than 3,000 now, the report said, citing figures from startup data platform Tracxn.

Driving the digital economy are a large, young population willing to test and adopt new technology consumer services, supportive government policies and a surge in funding from abroad, it said.

CEO of HSBC Vietnam, Tim Evans, said, "Vietnam has emerged as a hub for startups, closely

competing with the likes of Indonesia and Singapore."

Vietnam should maintain its position as a compelling destination for tech entrepreneurs and investors, making the country a thriving environment for potential unicorns (startups valued at over \$1 billion), he added.

But in terms of the value of its 10 leading startups, Vietnam trailed the other 11 surveyed markets at \$300 million.

China led with \$5 billion followed by India with \$4.6 billion and Japan with \$3.5 billion.

Vietnam has seen total investments in startups rise rapidly in the last three years to reach \$1.06 billion in 2021, triple the 2020 figure.

The figure was higher than that of Malaysia, Taiwan or Thailand, which were among those surveyed.

Kien Nguyen, head of private enterprise at KPMG Vietnam, said strong funding is coming from Singapore, South Korea, China, and Hong Kong. "Nearly all of this money has gone into companies addressing the domestic market. Local demand should stay strong for the next two or three years before there's any need for consolidation, or for global or regional strategies."

Giang Tran Minh Thanh, country manager at

investment fund Kasikorn Vision, said Vietnam is considered red hot for investment in Asia.

"There is a lot of capital pouring into the country, and that is why the number of startups has been rising because it is easy to receive funding."

He added that the country is one of the regional leaders in digital transformation and technology adoption, and this opens up market opportunities for startups.

5. Samsung Vietnam provides smart factory model for 14 local firms

Samsung Vietnam, in collaboration with the Ministry of Industry and Trade along with localities, held the closing ceremony of the project "Smart Factory Development Co-operation" (phase 1) at 14 participating enterprises to summarise and evaluate its performance.

This is a follow-up activity after the project's kick-off ceremony which took place on May 24 and 25 in Bắc Ninh, Vĩnh Phúc, Hà Nội, Hưng Yên, and Hà Nam.

After nearly three months, the project has achieved impressive results.

The Vietnamese and Samsung Korea's consultants directly participated in surveying, evaluating, and giving advice to businesses in the field.

Among the 14 participating enterprises, three companies, comprising Manutronics Việt Nam Joint Stock Company, Chiến Thắng Industry Co Ltd, and An Lập Plastic Co Ltd, recorded remarkable improvements.

The activities include creating an environment that collects and shares production lead time;

a safe production environment, sort and arrange equipment and tools; help to build management KPI tables with excel; reduce operation time; optimise placement at the factory and to reorder the warehouse in a more intuitive way.

Choi Joo Ho – President of Samsung Vietnam said: "I am very happy and proud to witness the spectacular change of businesses after participating in the Smart Factory Development Co-operation Project.

standardising the process of managing attachment parts, components, spare parts and system application and coding them.

It also entailed optimising management processes; applying equipment construction material structure; barcode scanning to manage production results and inventory status; and employing software to manage production, equipment and defect rates.

Five enterprises, namely Hà Nội Plastic Joint Stock Company, An Phú Việt Plastic Co Ltd, Haast Vietnam Co Ltd, Hanpo Vina Joint Stock Company, Trần Thành Co Ltd, have built and effectively deployed real-time data collection through the process.

The project also supported consulting for six enterprises: JK Viet Nam Industrial Joint Stock Company, DM Vina Co Ltd, Accuracy Joint Stock Company, Production and Import-Export Company, Hanoi Packaging Exporter, Thịnh Vượng Manufacturing and Trading Co Ltd, Postal Equipment Joint Stock Company.

The project helps these enterprises build

"These changes are the foundation for businesses to improve their competitiveness according to global standards in all processes such as research, production, thereby having more opportunities to play a part in the supply chain not only of Samsung but also of the global supply network.

"Samsung will make efforts to spread the programme to more localities in order to support and accompany Vietnamese businesses, contributing to the recovery and sustainable socio-economic development in the post-COVID-19

period and promoting industrialisation and modernisation in the digital era."

Ngô Khải Hoàn – Deputy Director of the MoIT's Việt Nam Industry Agency said: "After participating in the project, Vietnamese enterprises have made very encouraging improvements in perfecting and optimising the production process, systematising the database, and ensuring the application of smart factories. I highly appreciate the responsibility and progress of businesses when they have constantly strived before, during, and after the improvement process."

"I hope that businesses participating in the program continue to maintain and promote the effectiveness of the smart factory development cooperation project, thereby contributing to the overall development of the supporting industry across the country."

After the project, the consulted enterprises will continue to develop the smart factory system under the online consultation of South Korean experts in order to improve their competitiveness and increase their ability to participate in the global supply chain, contributing to promoting the development of Việt Nam's supporting industry.

The project "Smart Factories Development" phase 2 will be implemented in the southern region from August 2022, to advise 12 businesses.

The smart factories development in localities is an activity within the framework of the smart factory co-operation project, signed by Samsung in collaboration with the Ministry of Industry and Trade in February 2022 with the goal of supporting the development of smart factories in 50 enterprises and training 100 Vietnamese experts in the field of smart factory consulting in the next two years.

Since 2015, the ministry and Samsung have cooperated to implement an advancement consulting programme to enhance competitiveness for 379 Vietnamese enterprises.

During 2018-21, the ministry and Samsung trained 406 experts in supporting industries in Việt Nam.

In addition, realising the importance of the mould field in industrial production, the two sides continued to implement a project to train 200 mould technicians in 2020-23.

Through efforts to find supplier businesses, the number of Samsung tier-1 enterprises has increased sharply.

In 2014, the number of tier-1 enterprises was only four, but this increased to 51 enterprises by the end of 2021. Along with that, the number of tier-2 enterprises reached 203 enterprises.

6. Exhibitions on electrical technology, green power open in HCM City

The 15th International Exhibition on Electrical Technology and Equipment – Vietnam ETE 2022, the 12th International Exhibition on Products, Technologies of Energy Saving and Green Power – Enertec Expo 2022, and Korea Smart Electric & Energy Fair 2022 (KOSEF) simultaneously opened in HCM City on July 20.

They feature nearly 500 booths set up by more than 300 exhibitors from many countries and territories, including Germany, France, Russia, Taiwan and South Korea, with leading brands such as Gelex, Cadivi, Ls Vina, Chint, Vtech, BTB, Vina Electric, Hioki, 3M, TUV Rheinland, O.T.E.C, VES, Rongstar,

Solar BK, CRC Solar Cell, Sao Nam, World Energy, Sun Capital, Lithaco, CAPS, and E- Com.

Products on display include power generation and transmission equipment and systems, smart electrical equipment and technology, lighting equipment and technology, civil electrical equipment, industrial automation and control equipment, renewable energy, electrical services and solutions, and others.

In addition, KOSEF, with the participation of Korea Electrical Manufacturers Association, features

leading Korean brands in the field of smart energy and electricity.

The exhibitions also include a series of activities, such as specialised conferences and seminars, new product introduction and demonstration, and business matching programmes.

Delegates visit a booth at the International Exhibition on Electrical Technology and Equipment – Vietnam ETE 2022 being held at the Sài Gòn Exhibition and Convention Centre until July 22. — VNS Photo

Speaking at the opening ceremony in HCM City, Võ Văn Hoan, deputy chairman of the HCM City People's Committee, said the exhibitions are among the annual activities included in the city's trade promotion programme.

The exhibitions offer an ideal opportunity for businesses in the electrical equipment and energy industries to promote their brands and enable consumers to access energy saving products easily, he said.

Nguyễn Thị Kim Ngọc, deputy director of the HCM City Department of Industry and Trade, said in recent years, Việt Nam's electrical equipment manufacturers have increased investment,

transferred technology and enhanced the application of advanced science and technology to produce high-quality products, meeting domestic and export market demand.

To meet the country's green growth strategy as well as implementing the national energy development strategy in the coming period, the efficient use of energy and the promotion of the application and development of new and renewable energies has become an urgent requirement, she said.

Bùi Thị Thanh An from the Việt Nam Trade Promotion Agency said Vietnam ETE and ENERTEC Expo 2022 have always been practical events to help Vietnamese and international enterprises in the electrical equipment and energy industries meet, exchange, and enhance cooperation as well as contribute to encouraging domestic manufacturers to promote production and trade of energy-saving products, develop new energy sources and environmentally friendly, renewable energy.

Organised by the HCM City Department of Industry and Trade and C.I.S Việt Nam Advertising and Exhibition Joint Stock Company, the exhibitions at the Sài Gòn Exhibition and Convention Centre in District 7 will go on until July 22 and are expected to attract 20,000 visitors.

7. IT industry reports better revenue, announces national strategies

The revenue of the information technology industry in the first six months of the year was estimated at US\$72.5 billion, up 17.8 per cent over the same period last year, while the postal market recorded over 30 per cent growth in the same period.

According to the Ministry of Information and Communications (MIC), the total telecommunications revenue reached over VNĐ156 trillion (\$678 million) from January to June, up 0.6 per cent over the same period, and all 35 national digital platforms have been put into use.

Minister of Information and Communications Nguyễn Mạnh Hùng said early this week in the meeting to review the ministry's performance in the first six months of the year that the ministry all met and exceeded the set targets.

He said the ministry's main task in the last months of 2022 would be to continue to solve arising and outstanding problems.

In the first six months, the MIC started implementing three national strategies issued by the Prime Minister: the postal sector, digital Government and digital economy.

The minister said the postal strategy was the rapid growth of the post office so that in the next five years it could be as big as other areas of telecommunications, as well as the strong use of digital technology in postal activities, and the affirmation of the role of postal infrastructure.

Logistics infrastructure will ensure the physical flow of goods in addition to telecommunications infrastructure which will ensure data flow.

At the same time, the digital Government strategy was to affirm the end of the e-Government phase with 100 per cent of eligible public services put online.

The digital Government transformation will change the way the Government operates, using data and digital technologies to solve new problems.

Finally, the digital economy strategy will affirm the digital economy as a new growth engine, and ensure the transformation from an 80 per cent ICT-based digital economy to an 80 per cent based digital economy.

The country's digital platform is the institutional change needed to bring about new business models.

According to MIC, from 2022, the information and communications industry will start to correct laws related to the digital field.

The ministry said many decrees on the management of cross-border platforms (such as social networks, OTT broadcasting, and advertising) will also be issued, and that adding managing cross-border platforms was a global challenge.

The lack of institutional regulation of cross-border platforms has created an unequal business environment between domestic and foreign digital platforms.

Hùng said the new decrees were to implement a basic principle that firms must follow the laws in places where they are doing business.

"It is the protection of national digital sovereignty," he said.

MIC's agencies and units are determined to perform excellently in their tasks to achieve and exceed the goals of the plan assigned at the beginning of the year, he added.

Corporate News

8. EVF: Profit before tax in the first 6 months of 2022 increased by 27%

↑ 2.38%

Electricity Joint Stock Finance Company (HOSE , MCK: EVF) has just announced its financial statements for the first 6 months of 2022 with a

pre-tax profit of VND 234.5 billion, up 27% over the same period in 2021.

9. FTS: Approval on FTS as trading member of VNX

↑ 6.97%

FPT Securities Joint Stock Company received Decision No.104/QĐ-SGDVN dated July 18, 2022 on approval of FPT Securities Joint Stock Company

as trading member issued by Vietnam Stock Exchange (VNX).

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