



VIETNAM DAILY NEWS

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Market Analysis

1. Shares finish week higher on the back of steel, securities sectors

Vietnamese shares finished the week higher, ending several days of sell-offs with a rebound fuelled by securities and steel stocks.

On the Ho Chi Minh Stock Exchange, the VN-Index rose 0.82 per cent to close at 1,262.33 points.

The VN-Index had lost 0.54 per cent in the last two days.

More than 541.7 million shares worth VND13 trillion (US\$555.7 million) were traded on the southern exchange.

The market's breadth was positive with 273 stocks climbing, of which eight hit ceiling prices, while 166 declined.

The VN30-Index, which tracks the 30 biggest stocks on HoSE, jumped 0.68 per cent, to 1,280.96 points.

In the VN-30 index, gainers included Asia Commercial Bank (ACB), FPT Corporation (FPT), PetroVietnam Gas JSC (GAS), HDBank (HDB), Hoa Phat Group (HPG), Military Bank (MBB), Masan Group (MSN), Mobile World Group (MWG), Novaland (NVL), Vingroup (VIC) and VPBank (VPB).

Banking stocks were darlings of the market with gainers including Military Bank (MBB), Techcombank (TCB), Bank for Investment and Development of Viet Nam (BID), VietinBank (CTG), Viet Nam International Commercial JS Bank

(VIB), Saigon-Hanoi Commercial JS Bank (SHB), Tien Phong Bank (TPB) and Vietcombank (VCB).

The steel stock group attracted cash flow and increased sharply, with steelmaker Hoa Phat Group (HPG) soaring 2.4 per cent. Hoa Sen Group (HSG), Nam Kim Group (NKG), Pomina Steel Corporation (POM) and Tien Len Steel Group Joint Stock Company (TLH) also made gains.

Securities stocks also climbed at the end of the session, namely Asia - Pacific Securities Joint Stock Company (APS), Viet Nam Bank For Industry & Trade Securities JSC (CTS), VNDirect Securities Co (VND), Bank for Investment & Development of Vietnam Securities Company (BSI) and VIX Securities Joint Stock Company (VIX).

"It's expected that the threshold of 1,245 points of VN-Index and 1,268 points of VN30-Index will continue to be a good support level in the near future. Therefore, investors could wait to buy and accumulate stocks that retreat to the base price or strong support level. However, investors should also consider taking profit when the stock rises quickly to the resistance area," said Viet Dragon Securities Co.

On the Ha Noi Stock Exchange, the HNX-Index rose 1.08 per cent to end Friday at 303.42 points.

The index had lost 1.11 per cent Thursday.

Liquidity also increased here with nearly 69 million shares worth VND1.5 trillion being exchanged.

Macro & Policies

2. Viet Nam to increase coal imports in 2025-35: Ministry

Viet Nam's coal imports are forecast to rise to meet domestic production demand, according to a draft strategy for developing the coal industry in Viet Nam recently introduced by the Ministry of Industry and Trade (MoIT).

Accordingly, Viet Nam will import about 50-83 million tonnes of coal per year during the period from 2025 to 2035, with the volume gradually falling to about 32-35 million tonnes by 2045.

The data from the MoIT shows domestic coal consumption increased rapidly from 27.8 million tonnes in 2011 to 38.77 million tonnes in 2015, and about 53.52 million tonnes in 2021.

The volume of coal consumed at present has more than doubled compared to 2011, mainly for electricity production.

The demand for primary energy, including coal, will continue to increase, possibly peaking in the 2030-35 period, the ministry said.

Viet Nam's coal demand will be around 94-97 million tonnes in 2025, and peak at 125-127 million tonnes in 2030, mainly due to the increase in demand for power generation, and the cement, metallurgy and chemical industries.

The ministry also predicted that the demand for energy after 2040 will decline due to the energy transition process to meet emission reduction targets.

Coal used for non-energy purposes such as producing nitrogenous fertilisers and chemicals will be encouraged to develop to ensure the sustainable development of the domestic coal industry, it noted.

In the draft strategy, the ministry said by 2030, about 85-90 per cent (39-42 million tonnes of commercial coal), will be prioritised for power production to ensure national energy security.

3. Việt Nam seeks foreign investment in medical devices production

The Vietnamese medical devices market, which is growing annually at more than 18 per cent, relies heavily on imports, representing significant opportunities for foreign businesses, according to the HCM City Medical Equipment Association.

The market is now worth US\$1.5 billion, up from US\$1.1 billion in 2017, Hứa Phú Doãn, deputy chairman of the association, said.

Domestic medical devices manufacturers make mostly basic stuff and meet only 10 per cent of

demand while the remaining 90 per cent is imported, he told a meeting held recently in HCM City.

The number of foreign manufacturers in Việt Nam remains modest due to the lack of development of supporting industries and the absence of an industrial cluster in this sector, he said.

Foreign investment in the production of medical devices is vital to reduce reliance on imports and

facilitate development of supporting industries serving the healthcare sector, he said.

The 20th International Medical, Hospital & Pharmaceutical Exhibition, which opened in HCM City on Thursday, serves as a platform for foreign businesses to explore partnerships and investments in Việt Nam, he said at the inaugural ceremony.

Vietnam Medi-pharm Expo 2022, with its larger scale and exhibitor portfolio, is also a great opportunity for local businesses to access advanced technologies and specialised equipment in the pharmaceutical and medical device sectors, he added.

The expo brought together 260 exhibitors from 20 countries and territories, with businesses making pharmaceuticals and functional foods accounting for half of them.

The expo at the Saigon Exhibition and Convention Centre, organised by Vinexad JSC in collaboration with the association wrapped up on Saturday.

4. Domestic tourism continues strong growth

Việt Nam's domestic tourism market continues to record impressive growth, according to the National Administration of Tourism.

Searches for Việt Nam's tourist attractions on the internet in July this year increased nearly eight times and three times as compared to the same period last year and the beginning of March this year, respectively, before the country re-opened to tourism.

HCM City was the most searched destination for domestic tourists, followed by Phú Quốc Island, Hà Nội, Đà Lạt, Đà Nẵng, Vũng Tàu, Quy Nhơn, Huế and Phan Thiết cities.

According to the HCM City Tourism Association chairwoman, Nguyễn Thị Khánh, member business operations have recovered to about 60-70 per cent of the period before the pandemic.

The number of travel businesses restarting their business was about 70 per cent, Khánh said.

The city's tourism was more prosperous because the people's travel demand increased, especially in summer. She said that domestic and foreign tourists had well received many new tourism products from HCM City.

In August, the association was expected to organise the 1st Việt Nam Tourism Development Co-operation Forum, which will be a venue for travel

businesses to meet, connect, exchange, introduce and promote tourism products and services, she said.

In addition, the association would coordinate with the Centre for Research, Conservation and Development of Việt Nam Cuisine to organise four major events of the Vietnamese Rice Culinary Festival (October 8-12), Vegetarian Food Festival with the theme of Essence of Vietnamese Agricultural Products (October 27-31), the Bread Festival (December 8-15) and Food Week in the city.

Meanwhile, there have been many good signs for Phú Quốc – the largest island off the southern province of Kiên Giang - since the fourth wave of the pandemic.

Since June this year, accommodation on the island has often been fully booked, even on weekdays.

The accommodation owners must double their staff to meet visitor needs.

According to recent surveys at leading travel agencies such as Vietravel and Saigontourist, Phú Quốc ranked first in the most attractive destinations for summer.

Both solo and group travellers choose the island because of the many flights, new entertainment spots, and beautiful beaches.

Phú Quốc was selected as one of the 25 best islands in the world by readers of the US magazine Travel+Leisure.

Criteria for the best island in the world include entertainment, attractions, nature, beaches, food, friendliness and overall value.

Phú Quốc ranks 14th in the 25 most amazing islands in the world with a score of 90.25.

Visitors love Phú Quốc for its white sand beaches, delicious dishes, coral reefs and tropical forests.

Việt Nam's tourism industry aims to serve 65 million tourists this year, including about 60 million domestic and 5 million international visitors.

So far, the number of domestic tourists has exceeded the target, reaching 60.8 million domestic visitors in the first six months of 2022.

5. Real estate market is gaining balance: ministry

The real estate market of Vietnam showed signs of recovery and more balanced development in the second quarter of this year with increases in the number of successful transactions of apartments, houses and land, according to the report of the Ministry of Construction.

The absorption rates were high in most product segments while there were no new inventories, and the vacancy rate of office and commercial space for rent gradually decreased.

The ministry said there were almost no affordable apartments with prices from VND25 million to VND30 million per sq.m at commercial housing projects in central areas. Apartments at these prices were only available in a few projects in areas away from the city centres.

Some projects at this price range were xphomes in Dan Phuong district, Gemek Premium in Hoai Duc, Xuan Mai Complex in Ha Dong, Hanoi; Dream Home Riverside in District 8, Ehome S in District 9, HCM City; and FPT City Da Nẵng in Ngu Hanh Son, Da Nang.

Mid-end apartment segment, with prices of about VND30 million to less than VND50 million per sq.m, was still the main product in the market. In Hanoi, Keangnam in Nam Tu Liem, Molody Residences in Hoang Mai and Vinhomes Smart City in Nam Tu Liem were some at this price range while in HCM City, there were Sunrise City in District 7 and CityLand Park Hills in Go Vap and in Da Nang, the Sang Residence in Ngu Hanh Son.

High-end apartments with prices of over VND50 million per sq.m were mainly located near centres such as Heritage West Lake in Tay Ho district, T-Place in Hoan Kiem, Grand Marina Saigon in District 1, Vinhomes Golden River Ba Son in District 1 and Landmark Residence in Hai Chau district.

The ministry said housing prices were higher than the end of 2021, but the increase rate slowed.

In the second quarter, more than 69,000 transactions and 27,160 housing units were put on the market.

In general, the housing supply remained limited compared to the demand in the second quarter. There were no new inventories of apartments, houses and land plots as most projects opened for sale had good liquidity.

The limited housing supply in the first half of this year is due to the move to tighten legal procedures for real estate projects. Besides, the capital flow in the real estate market was narrowed down from the tightening of control on credit and corporate bond issuance as well as the decline of the bond market.

The ministry's statistics showed that only 29 commercial housing projects with 6,753 apartments were licensed in the past quarter, equivalent to 42% of the same period last year.

Mid-end apartments and land plots had the highest demand.

Sixteen land plot projects were completed in the second quarter with a total of 7,324 plots, 78% higher than the first quarter. More than 200 projects were underway with 66,596 plots, and 10 new projects with more than 4,000 plots got licences in the quarter.

The inventories are mainly high-end apartments and houses, tourism property and especially projects with poor infrastructure conditions.

To promote the healthy and sustainable development of the real estate market, the ministry said that it was necessary to speed up the drafting of the amended Law on Housing and Law on Real Estate Business to submit to the National Assembly for review.

Policies of investment, planning, construction, land, tax, credit, and auctioning real estate business must also be completed to remove difficulties and create favourable conditions for the development of the real estate market.

6. Ample room remains for Vietnam's exports to EU

There is still a lot of room for Vietnamese goods to expand their presence in the European Union (EU) market, but accessing its retail distribution systems is extremely important, heard a seminar in Ho Chi Minh City on August 11.

Speaking at the event, held to support domestic enterprises to connect with EU's distribution systems, Nguyen Thao Hien, deputy head of the European-American Market Department under the Ministry of Industry and Trade, noted that the year 2022 is favourable for export and trade promotion activities with the EU partners, as both sides are recovering from the COVID-19 pandemic with great support from the EU-Vietnam Free Trade Agreement (EVFTA).

Two years since the agreement took effect, the EVFTA does not only promote bilateral trade but also provides an advantage for the business communities of both sides in the context of fluctuating markets and the impact of the pandemic, as well as regional and global geopolitical uncertainties.

According to Hien, the ability of businesses to take advantage of incentives from the agreement is also gradually improving after two years.

Statistics from the MoIT showed that the rate of enterprises using preferential certificates of origin under the EVFTA agreement reached 20.7% in the second year compared with 14.8% in the first year.

However, it should be noted that many Vietnamese products still face various difficulties in accessing the EU market because they have not fully met its requirements in terms of technical standards, traceability, environmental and sustainable development issues, she said.

Trade promotion activities have not been carried out concertedly from production, marketing and market penetration, Hien said.

Nguyen Thi Hoang Thuy, Trade Counsel of Vietnam in Sweden, said room remains for Vietnam's exports to the EU, especially Northern Europe, as the population there, small as it is, is among the group with the highest average income in the world with an annual import demand of about US\$400 billion.

Vu Anh Son, in charge of the trade office in France, said bringing goods into foreign distribution channels requires businesses to have a long-term orientation and production plan, adding that in addition to complying with regulations and standards of the market, they must also meet the individual requirements of each distributor.

Khiem Nhat Thanh, General Director of T&T Food, an importer for distribution systems in France, said businesses wishing to conquer the EU market should have specific and long-term marketing plans and strategies along with securing qualified products.

7. VABA proposal raising domestic airfare ceiling

The president of the Việt Nam Aviation Business Association (VABA) has proposed to adjust the ceiling fare for domestic airlines to promote the industry's recovery.

At a national conference between the Prime Minister and businesses last week, VABA's chairman Phạm Việt Dũng said: "Việt Nam's aviation market is growing rapidly on the recovery trend but not evenly in all segments."

The domestic market has fully recovered compared to before the pandemic. In contrast, the international market has recovered very slowly, said Dũng, mentioning domestic passenger transport increased by 12 per cent compared to 2019, global freight increased, but household goods decreased.

However, revenue was disproportionate due to increased fuel prices and some input prices, airlines still suffered losses, and liquidity did not improve much, the VABA chairman said.

"The recovery is uneven among businesses in the aviation industry, in the aviation industry supply chains, while businesses in the transport infrastructure have a strong recovery, but airlines and the passenger transport companies are still facing difficulties, having to deal with the adverse problems left by the epidemic, especially the imbalance of cash flow in the past two years," he said.

To cope with these difficulties, Dũng said aviation businesses had made important changes, especially in restructuring to adapt to new trends. All airlines also prepare quite timely for the recovery period, preparing to open new routes.

The aviation segments with high flight frequency have recovered, such as at Phú Quốc Airport with 100 flights per day, surpassing Cam Ranh Airport.

Dũng said the biggest difficulties and obstacles of aviation enterprises were the international routes as they must adjust the roundabout due to the negatively affected disputes, putting more cost on the operation of aviation.

At the same time, he said gasoline prices were high, significantly affecting businesses. Although the pandemic situation has been reduced but not eliminated, there are still potential international and domestic risks.

Dũng said many countries were still cautious in opening the sky, especially those with a large number of visitors to Việt Nam, causing the aviation market to lose many passengers and delaying the recovery of international routes.

Another factor related to the infrastructure of the aviation industry, although greatly enhanced but not completely met, there are bottlenecks in infrastructure, especially for large airports such as Tân Sơn Nhất and Nội Bài airports.

Sharing specific difficulties in his business, Nguyễn Quốc Kỳ, Chairman of Vietravel, said that air travel was exhausted in terms of labour and finance and had to be completely restored.

Kỳ said: "Transportation, especially air transportation is difficult. Fuel prices are high, sometimes accounting for over 60 per cent of the cost, the price structure applied to petrol is usually delayed after one month. Therefore, for airlines the adjustment of petrol and oil prices is also not immediate."

To deal with such problems to recover the aviation industry, VABA suggested the aviation industry and State agencies to coordinate with each other to improve the regulation, airport infrastructure, and thoroughly solving congestion at major airports.

Dũng from the VABA asked to speed up the development of aviation infrastructure and amend some documents and legal regulations related to policies of the aviation industry, including the source of socialisation of investment capital for the infrastructure of the sector.

The association asked to soon restore and promote air traffic with other countries that have a large number of visitors to Việt Nam, expand international routes, actively implement promotional programmes to

improve the country's image, and attract tourists to Việt Nam.

And most importantly, it would like relevant authorities to study and adjust the domestic ceiling price bracket for airlines and continue to maintain supporting policies related to land tax exemption and reduction.

In July, to deal with fuel prices, the Civil Aviation Authority of Việt Nam (CAAV) also proposed raising air service prices on domestic routes to the Ministry of Transport (MoT).

In a recent proposal sent to MoT, CAAV asked for a reduction in environmental protection taxes and import taxes on jet fuels and an increase in service fees on domestic routes.

Corporate News

8. GEG:Related company General Director registered to sell 3.2 million shares

↑ 1.14%

For the reason of portfolio restructuring, Thanh Thanh Cong Investment JSC registered to sell more than 3.2 million shares of Gia Lai Electricity JSC (HOSE: GEG) from August 16 to September 14, 2022.

Based on the closing price of August 12 of 22,100 VND/share, it is estimated that Thanh Thanh Cong Investment Joint Stock Company can earn nearly 71

billion VND if the transaction is completed, thereby reducing its ownership rate from 17.8% (more than 57 million VND). shares) to 16.79% (more than 54 million shares).

Thanh Thanh Cong Investment Joint Stock Company is a unit related to GEG's General Director, Mrs. Nguyen Thai Ha.

9. NVT:4 more individuals left the position of major shareholders at NVT

↓ -2.63%

After the acquisition of nearly 57 million shares by NVT Holdings Co., Ltd. of Ninh Van Bay Tourism Real Estate Joint Stock Company (HOSE : NVT) on August 5, individuals with the move to "discharge" seem to have appeared. Recently, 4 major shareholders of NVT simultaneously announced that they had withdrawn almost all of their capital from the Company on the same day of August 5.

Specifically, 4 individuals including Mr. Nguyen Duc Toan, Mr. Pham Quoc Khanh, Mr. Trinh Kien and Mr. Nguyen Van Dung sold nearly 38.8 million shares of NVT on August 5. Based on the closing price of the 05/08 session at 15,000 VND/share, it is estimated

that these 4 positions have earned a total of nearly 582 billion VND.

In the same session, NVT Holdings Co., Ltd. bought nearly 57 million shares of NVT . After the session, NVT Holdings held more than 79 million shares, equivalent to 87.8% of NVT 's capital .

Not long after the change in the structure of major shareholders, NVT announced that it would hold an Extraordinary General Meeting of Shareholders in 2022 in September. The last registration date to close the list of shareholders is August 30. However, NVT has not yet announced the specific content submitted to the next AGM.

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