



VIETNAM DAILY NEWS

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Market Analysis

1. Shares rebound on banking, mining and securities stocks

Stocks recovered on Tuesday, bolstered by the growth of the banking, mining and securities stocks groups.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index gained 0.82 per cent to close at 1,270.81 points.

The index had dropped 0.69 per cent to close Monday at 1,260.43 points.

Market breadth was positive with 140 decliners and 308 gainers.

Some 565 million shares were traded on the southern exchange, worth VND14 trillion (US\$597.5 million).

The VN30-Index, which tracks the performance of the 30 largest stocks by market capitalisation and liquidity on HoSE, gained 0.51 per cent to reach 1,292.00 points. In the basket, 22 stocks climbed, two stayed flat and six slid.

Banking stocks gained ground with most of the stocks in the basket rising, including Vietinbank (CTG), Asia Commercial Bank (ACB), Vibank (VIB) and Tien Phong Bank (TPB), National Commercial Joint Stock Bank (NVB), Vietcombank (VCB), Military Bank (MBB), Bank for Investment and Development of Vietnam (BID), Techcombank (TCB) and Sacombank (STB).

VPBank (VPB) was the only decliner in the banking group.

The securities group was also hit strongly with two giants SSI Securities Inc (SSI) and VNDirect Securities Co (VND) rose 2.8 per cent and 2.5 per cent, respectively.

Energy stocks also attracted cash flow with gainers such as Viet Nam National Petroleum Group (PLX), Binh Son Refining and Petrochemical Company Limited (BSR), PV Power (POW), PetroVietnam Technical Services Corporation (PVS), PetroVietnam Drilling and Well Services Corporation (PVD) and Drilling Mud Joint Stock Corporation (PVC).

On a sector basis, 23 out of 25 sector indices on the stock market gained ground, including oil and gas, banking, wholesale, construction, rubber production, IT and logistics, agriculture, real estate, food and beverage, retail, seafood production, construction materials, securities, and plastic and chemical production.

Losers, meanwhile, included insurance and healthcare.

The HNX-Index on the Ha Noi Stock Exchange (HNX) rose 1.5 per cent to close Tuesday at 299.14 points.

The index had lost 1.08 per cent to close Monday at 294.73 points.

More than 89.5 million shares were traded on the northern exchange, worth VND1.9 trillion.

Macro & Policies

2. Binh Duong to support SMEs with digital transformation

Thousands of small and medium-sized enterprises in Binh Duong will receive support to effect digital transformation from the province People's Committee and Ministry of Planning and Investment.

According to Vice Chairman of the People's Committee, Nguyen Van Danh, there are over 57,000 enterprises in the province, of which SMEs account for more than 97 per cent.

When the COVID-19 pandemic hit, over 90 per cent of SMEs were severely affected as the traditional market and production shrank.

SMEs need digital transformation tools to change the way they operate and do business in the new environment.

The pandemic has created a labour shortage besides hitting demand, and after it passes SMEs need to increase the use of digital technology to survive and function efficiently.

Digital transformation is the integration of digital technology into all areas of a business that results in fundamental changes to the way it operates.

This is the right time for SMEs to adopt technology in management and make the digital transformation, and so it is essential to quickly have policies to help them overcome difficulties and resume operations, especially to make the transformation, experts say.

Danh said to persuade firms to embrace digital transformation, the province administration would create a legal framework to help them innovate and avoid possible legal risks.

The experts say policies that encourage enterprises and create conditions for them to adopt new technologies and digital transformation are needed, especially those that allow the testing of new products and technologies that still face legal obstacles.

The province needs to foster the development of large technology companies, raise awareness in society about the benefits of digital transformation and digital technologies and set basic standards for digital transformation to help businesses mitigate the risks involved, they say.

It needs to invest in technology infrastructure that only it could and adopt policies to encourage and support creative start-ups and develop human resources for digital transformation.

The US Agency for International Development (USAID) along with the Ministry of Planning and Investment and Binh Duong Province is set to implement a programme called USAID Linkages for Small and Medium Enterprises to improve supply chain links for SMEs and the ability of business associations to support the development of SMEs.

It seeks to enable systematic changes in the business environment from reforming institutions and simplifying administrative regulations and procedures to reducing the cost of implementing administrative procedures to improve the competitiveness of businesses, helping improve their ability to integrate internationally including the global SME value chain.

While FDI in Viet Nam had reached historic levels, the spillover benefits for the domestic economy were affected by the limited supply chain linkages of Vietnamese SMEs, according to USAID.

The programme aims to address this gap by strengthening the capabilities of intermediary organisations in Viet Nam, such as business associations, export development centres and SME promotion agencies, to facilitate the supplier-buyer relationships between Vietnamese SMEs and lead firms located in Viet Nam and expand Vietnamese SMEs' capacity to participate in manufacturing supply chains.

Binh Duong has 403 foreign-invested projects worth over US\$6.8 billion.

3. VCCI calls for land law draft revision

As the Ministry of Justice is gathering comments on a draft amending the Law on Land, the Vietnam Chamber of Commerce and Industry (VCCI) comments that the draft needs revisions to be legally consistent with the Law on Real Estate Business and Law on Housing.

Under the draft, land users do not comprise foreign individuals. That means the latter are not eligible for land allocation, land lease, land use rights and land use right transfers. Their eligibility for land sublease in industrial parks is also ruled out.

VCCI said such a regulation would be at odds with the Law on Real Estate Business because the law allows foreign individuals to purchase houses in Viet Nam and the sale of a house normally comes with a piece of land.

In the same way, the regulation is legally inconsistent with the Law on Housing since the law grants homeownership to foreign individuals who have received as a gift, purchased or inherited the commercial houses.

VCCI also said the regulation, if passed, would lead to an inconvenient situation in which Vietnamese homebuyers would not be able to receive land use right transfers associated with houses once they purchase the houses from foreign individuals.

Another inconsistency involves the draft regulation is that land users can transfer, lease out, offer as a gift, mortgage and contribute as capital their land use rights, provided they have the land use right certificates. Meanwhile, the requirement of certificates is confined to investors of realty projects who do existing building trading under the laws.

The next legal disparity is that the draft stipulates investors may only sell or lease properties associated with land on the condition that the properties have been legally formed. Meanwhile, the Law on Real Estate Business allows the sale of off-plan buildings, as long as the buildings have land use rights, authority-approved construction dossiers and certificates.

VCCI also said the conditions applicable to land use right transfers in residential and infrastructural construction projects would need revision.

The draft defines conditions on which the land use right transfers go with the transfer of whole infrastructural construction projects. Meanwhile, the Law on Real Estate Business does not regulate such transfers. It only covers conditions on which the transfer of realty projects are possible.

VCCI said the inconsistency would likely cause difficulties for firms to observe the legal documents concurrently. The chamber, thus, called for a draft revision to make the legal documents compatible.

4. Indian, Vietnamese companies seek stronger ties in building materials sector

A visiting delegation of Indian business executives from the ceramic tile, porcelain floor, wall and decoration tile, bathroom sanitary ware and related industries met with their Vietnamese counterparts in HCM City to compare notes and seek tie-ups.

The Việt Nam-India business meeting on August 23 saw Vishal Acharya of the Emerald Worldwide Connections Private Limited pointing out that India was the second largest ceramic tiles producer in the

world after China and accounting for 20 per cent of the global production.

India, like Việt Nam, is a rapidly developing country, with booming construction, which is pushing up demand for tiles and other building materials, according to the businessman.

Indian enterprises are very interested in the Vietnamese market, and they want to not only

export to the country but also invest and produce there.

Nguyễn Hữu Nam, deputy general director of the Việt Nam Chamber of Commerce and Industry, said India was among the top 10 trading partners of Việt Nam, which in turn was considered an important country in India's 'Look East policy,' which is reflected in the multi-faceted co-operation between the two countries in recent years.

Trade between them reached US\$13.2 billion last year, up 36.6 per cent year-on-year. India's exports to Việt Nam were worth \$6.95 billion, up 56.7 per cent from 2020, while Việt Nam's rose by 19.6 per cent, he said.

The two countries target soon reaching \$15 billion.

"To achieve this goal, Việt Nam and India need to further strengthen co-operation in fields where the two sides have strengths and competitive advantages and complement each other," he said.

Organised by the VCCI and Emerald Worldwide Connection, the meet was among activities to

promote the Ceramics & Bath Industry Show (CBIS) to be held in January 2023 in India, he said.

"After more than two years of disconnection due to COVID-19, the event today will provide Vietnamese businesses with useful information about products, markets and incentives to attend CBIS in India.

"Besides, the B2B business networking session offers opportunities to find new partners and strengthen business relationships for businesses from both sides."

Acharya invited Vietnamese companies to participate in the exhibition, saying it would showcase the best-in-class products and technologies in the fields and offer business matching, factory tours and seminars on the latest industry developments.

The expo would be a perfect platform for manufacturers to showcase their products and network with the "most influential industry stakeholders and generate business leads," and visitors could source the latest materials and services and meet directly with decision-makers in companies to negotiate prices, he added.

5. Việt Nam, Canada steps up economic ties, stresses peace in South China Sea

Prime Minister Phạm Minh Chính has expressed his wish that during his tenure, Canadian Ambassador to Việt Nam Shawn Perry Steil will make active contributions to Việt Nam – Canada comprehensive partnership, especially in the context of the fifth anniversary of their bilateral comprehensive partnership and the 50th anniversary of diplomatic ties.

During a reception in Hà Nội on Tuesday, PM Chính expressed his delight at the effective and practical development of bilateral ties, with two-way trade hitting US\$3.57 billion in the first half of this year, up 25.5 per cent annually. Việt Nam's exports to Canada surged 32 per cent to over \$3.25 billion in the period.

As of November 2021, Canada was the 14th biggest investor in Việt Nam with 231 projects worth over \$4.81 billion. The host also thanked the Canadian

Government for providing Việt Nam with \$1.3 billion in official development assistance since 1990.

Ahead of the 50th anniversary of diplomatic ties next year, the PM suggested the ambassador assist in facilitating all-level visits, especially those at high level, and promote cooperation in the fields of economy, trade, investment, development assistance, post-pandemic recovery, climate change, environmental protection, clean and green growth, and high-quality human resource training.

As the two countries are members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), PM Chính highlighted the need to lift two-way trade, partly by making it easier for Vietnamese goods, especially agro-fisheries, fruits, cashew nuts, coffee, honey and wooden furniture, to enter Canada.

The PM asked the Canadian Government to continue supporting the roughly 240,000 Vietnamese living in the country as well as offer more scholarships to Vietnamese students and graduates to elevate cooperation in human resources and sci-tech.

Steil, for his part, hailed Việt Nam as a bright example for countries worldwide to follow in its COVID-19 response.

He pledged to pay attention to stepping up bilateral economic, trade and investment ties via increasing direct goods transportation between the two countries, as well as cooperation in climate change response and delivery of commitments made at the

26th United Nations Climate Change Conference, and promote discussion on issues of shared concern.

On the South China Sea issue, both sides underscored the importance of the settlement of disputes by peaceful means in line with international law, especially the 1982 United Nations Convention on the Law of the Sea, and the implementation of the Declaration on the Conduct of Parties in the South China Sea, towards reaching a practical, effective and working Code of Conduct in the South China Sea and ensuring freedom, maritime and aviation security and safety in the South China Sea.

6. Cargo throughput via seaports sees slight rise in July

Cargo throughput via seaports across the country hit 62.9 million tonnes in July this year, up 2 per cent year-on-year, according to the Vietnam Maritime Administration.

Container throughput increased by 1 per cent to 2.2 million TEUs during the period.

Notably, the volume of imports and exports tends to increase, but domestic container goods has decreased slightly.

Economists said that the growth of goods throughput at seaports was still low and had not regained the recovery momentum to the level before the COVID-19 pandemic.

They attributed the situation to the lingering consequences of the pandemic, and the Russia – Ukraine conflict, which put pressure on the global economy.

Rising inflation amid the bleak growth prospect could have a significant impact on the global consumer demand, and goods transport, they said, noting that Vietnam, with an open economy, could hardly avoid these effects.

Trịnh Thế Cường, director of the Đà Nẵng Port Authority, said the over-20 per cent-decrease in the volume throughput of domestic goods in the past three months showed that the goods circulation in the region had not shown signs of recovery after the pandemic.

The port and shipping industry is forecast to have a long-term rebound outlook thanks to export growth in the second half of 2022 and the whole 2023, according to the Retail Research and Investment Advisory Division at Saigon Securities Incorporation (SSI).

7. Enterprises importing goods to UK must be put on new customs system quickly

HM Revenue and Customs (HMRC) are reminding businesses to use the Customs Declaration Service (CDS) for import declarations from October 1.

The CDS will become the country's single system for customs declaration, completely replacing the Customs Handling of Import and Export Freight (CHIEF) system.

Businesses with customs agents should check whether they are ready to use the new system, while those without a customs agent must do their declarations using software that works with the CDS.

Many businesses are already using the new system. However, around 3,500 enterprises are yet to move, HMRC said.

According to the tax agency, it can take several weeks to be fully set up on the CDS system, so those waiting to register risk being unable to import goods into the UK, starting in October.

There is only a little more than one month left until businesses must use the system for imports, so companies need to move now.

"Registering takes time, so businesses should start moving to the Customs Declaration Service to ensure a smooth transition and avoid disruption to

their business," said Julie Etheridge, HMRC's Director of Programme and Operational Delivery for Borders and Trade.

After completing the CDS registration process, businesses that use a Duty Deferment Account must create a new direct debit to ensure payments are made via the new platform.

"If they fail to do so, their existing account will no longer be usable, and individual immediate payments will need to be made each time an import declaration is made," HMRC said.

The CDS was first operated in 2018, marking the first step toward the UK's vision of a Single Trade Window - a centralised data portal for traders and intermediaries to submit data to the Government.

HMRC will close CHIEF for export declarations on March 31 2023, with businesses being required to use the CDS to send goods out of the UK

Corporate News

8. AGM: received the transfer of 19% capital from Louis Capital in a subsidiary

↑ 0.7%

The Board of Directors of An Giang Import Export Joint Stock Company (Angimex, HOSE: AGM) on August 23 approved the transfer of 19% of the

capital contribution of Louis Capital JSC (HOSE: TGG) at Angimex Furious (AGM Furious) Co., Ltd. subsidiary of Angimex.

9. OCB: Is about to issue bonus shares, increasing capital by more than 4,127 billion VND

↑ 0.86%

It is expected that after completing the issuance, the charter capital of Orient Commercial Joint Stock Bank (HOSE : OCB) will increase by more

than 4,127 billion VND, to a maximum of nearly 17,885 billion VND.

Research Team:**Tsugami Shoji**

Researcher

jsi@japan-sec.vn**Disclaimer:**

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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

Website: www.japan-sec.vn