



VIETNAM DAILY NEWS



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Market Analysis

1. Market struggles due to mixed forces

Benchmark indices traded differently on Thursday, as selling pressure countered risky asset demand.

The VN-Index on the Ho Chi Minh Stock Exchange (HoSE) picked up slightly 4.39 points, or 0.35 per cent, to 1,254.15 points. It fell in the morning trade due to rising sell-off force.

The market's breadth was positive, while liquidity was still low. Accordingly, investors poured over VND17 trillion (US\$726.8 million) into the southern bourse, equivalent to a trading volume of nearly 724.75 million shares.

The index escaped the downtrend thanks to the breakthrough of Vietcombank (VCB) and increases in some pillar stocks, and set a fourth straight daily gain. The VN30-Index, which tracks the 30 biggest stocks by market capitalisation on HoSE, rose 7.9 points, or 0.62 per cent, to 1,277.73 points.

Sixteen stocks of the VN30 basket jumped, while 11 declined and three ended unchanged.

Data compiled by financial website vietstock.vn showed that banking and realty sectors led the bullish sentiment on the market. Of which Vietcombank (VCB) was the biggest gainer, up 3.77 per cent, followed by Vinhomes (VHM), Novaland (NVL), Becamex (BCM) and VPBank (VPB), with 1.4-3.02 per cent increases.

Petrolimex (PLX), FPT Corporation (FPT) and Mobile World Investment Corporation (MWG)

also posted strong performance of at least 1.5 per cent.

The rally was restricted by persistent selling pressure, weighing on stocks in energy and manufacturing industries.

In the top three stocks weighing on market sentiment, PV Gas (GAS) lost the most, down 2.68 per cent. The other two ticker symbols were Masan Group (MSN) and Sabeco (SAB), with a 1.9-2.6 per cent decrease.

The VN-Index is expected to continue to struggle under rising short-term selling pressure, heading toward the strong resistance zone of 1,255 points -1,260 points in the future, said analysts from Saigon - Hanoi Securities JSC. From a long-term perspective, the market is still forming an accumulation area with valuations at a low level compared to the multi-year average, as economic growth is maintained.

Meanwhile, on the Ha Noi Stock Exchange (HNX), the HNX-Index settled down yesterday. It finished the trade at 297.73 points, down 0.38 points, or 0.13 per cent.

During the session, nearly 95.2 million shares were traded on the northern market, worth over VND1.8 trillion.

Foreign capital also ran at a low amount as they net bought VND59.8 billion on HoSE, but net sold VND16.84 billion on HNX.

Macro & Policies

2. Aquatic exports drop below US\$1 billion in July

The value of aquatic exports in July fell below US\$1 billion for the first time in 2022, according to the Vietnam Association of Seafood Exporters and Producers (VASEP).

It was expected to fetch \$970 million, up 14 per cent year-on-year and 4 per cent month-on-month.

The country's total aquatic export turnover in the first seven months of this year reached nearly \$6.7 billion, an increase of 35 per cent compared with the same period last year.

After recording a sharp rise of 34-62 per cent in the first five months of the year, aquatic exports began cooling in June with an increase of just 18 per cent.

The decline is mainly due to unfavourable weather, with early rains affecting seafood production. The stockpile of aquatic products from last year has also dropped.

Shrimp exports in June decreased by 1 per cent compared to the same period last year because of a shortage of raw materials. It continued to fall by nearly 13 per cent in July, reaching only \$385 million. Việt Nam earned \$2.65 billion from shrimp exports in the first seven months, up 22 per cent year-on-year.

Export earnings from pangasius reached \$197 million in July, up 56 per cent year-on-year. By the end of July, its value hit over \$1.6 billion, an increase of 79 per cent over the same period last year.

Meanwhile, exports of tuna, squid, octopus and other marine fish maintained a high growth rate of 37-44 per cent in July. In the first seven months of 2022, tuna exports increased by 53 per cent to reach \$641 million, while those of squid and octopus, and other fish surged by 31 per cent and 16 per cent, respectively, earning \$417 million and over \$1.1 billion.

Việt Nam's aquatic exports to the US declined by 8 per cent in June and 23 per cent in July.

Meanwhile, the export of seafood products to the European Union grew by 28 per cent in July, with the value hitting \$829 million in the first seven months. Export earnings from seafood to China reached \$1 billion in the period, up 71 per cent year-on-year.

VASEP forecasts that seafood exports in the third quarter of this year will grow slower than in the second and first quarters, with export value expected to hit about \$3 billion.

VN tuna exports to France go swimmingly

Tuna exports to France topped \$350 million in the first seven months of the year, a 203 per cent increase year-on-year, according to VASEP.

Processed and canned tuna saw the highest growth, with frozen products dominating exports.

Tuna fishing is being hampered in France and some other EU countries by factors like global political complications, inflation and the euro falling against the US dollar, according to VASEP.

Nguyễn Thị Vân Hà, a tuna industry expert from VASEP, said French consumers prefer tuna, especially as a replacement for other white fish.

France's tuna imports from other Asian countries is also rising. Việt Nam is only France's 14th largest supplier outside Europe.

European tourism is recovering, which is leading to higher import demand for fresh and frozen tuna as well as large-sized canned tuna for restaurants.

This is playing a major role in facilitating Việt Nam's tuna exports to EU countries.

Việt Nam's exports to other markets also increased in the first half of the year, including to the US and members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Full-year exports are expected to surpass \$1 billion, 45 per cent up from 2021.

3. Enterprises, workers in non-State sector and FDI rise rapidly

The number of enterprises and employees working in the non-State sector and FDI increased rapidly, whereas that of the State sector fell markedly.

This is one of the contents of a survey conducted by the General Statistics Office, which has just been announced in the Publication of the 2021 Economic Census.

Accordingly, by type of enterprise, the non-State enterprise sector concentrated the most enterprises and employees as of December 31, 2020, with 660,100 enterprises, accounting for 96.4 per cent of the total number of enterprises nationwide.

The sector attracted 8.6 million employees, accounting for 58.6 per cent of the total number of employees.

The FDI enterprise sector has the fastest growth rate in the number of enterprises among the three industries. It accounts for an increasingly large share of the total number of jobs created in the enterprise sector.

The number of FDI enterprises is 22,200 enterprises, accounting for 3.3 per cent of the total number of enterprises. It attracted 5.1 million employees, accounting for 34.6 per cent.

Due to the State's policy of equitisation and rearrangement, the State-owned enterprise sector continuously decreased during this period, the total number of State-owned enterprises was only 1,963 enterprises as of December 31, 2020, accounting for 0.3 per cent of the total number of enterprises, a decrease of 26.3 per cent compared to 2016.

The enterprises attracted 1 million employees, accounting for 6.8 per cent of the labour of the entire enterprise sector.

The General Statistics Office pointed out that non-State enterprises have the same average labour size as small enterprises in terms of employees. In contrast, State enterprises and FDI enterprises have the same average labour size as large businesses.

In terms of the economic region, the number of businesses and workers is increasing in the Red

River Delta and the Southeast region, where the two largest economic centres in the country are located, HCM City and Hà Nội.

The Southeast region and the Red River Delta region clearly show their role as the two largest economic centres in the country, always leading in the number of enterprises and employees.

Accordingly, the Southeast region is the economic locomotive. This region has the most significant number of enterprises in the country, with 281,100 enterprises as of December 31, 2020, accounting for 41.1 per cent of the total number of enterprises in the country.

The region attracts 5.4 million employees, accounting for 36.6 per cent of the total number of employees working in the enterprise.

The Red River Delta region is the second largest economic centre in the country with 216,800 enterprises, accounting for 31.7 per cent of the total number of enterprises in the country, attracting 4.9 million employees, accounting for 33.2 per cent.

Along with that, domestic and foreign investment capital into enterprises maintained a fast growth rate over the years, and the scale of enterprises was expanded mainly based on the development of capital factors instead of labour factors.

The source of capital attracted to enterprises has grown rapidly over the years, with the total capital used for production and business of the entire enterprise as of December 31, 2020, reaching VNĐ48.7 quadrillion (US\$2 trillion), a year-on-year growth of 12.3 per cent.

In the 2016-20 period, the attracted capital reached an average of VNĐ38.4 quadrillion per year on average, with the average growth rate reaching 14.8 per cent per year, an increase of 104.1 per cent compared to the 2011-2015 period.

The growth rate of capital is always higher than the growth rate of the number of employees, showing that the average labour size of enterprises tends to shrink, but the average size of the capital of enterprises tends to expand.

"This reflects businesses that expand their scale mainly based on capital growth instead of labour growth; at the same time, it shows that Việt Nam is a potential market to attract investment capital, which is a premise to promote resources for in-depth economic growth", said General Director of General Statistics Office Nguyễn Thị Hương.

In addition, the capital structure among different types of enterprises changes in the direction of gradually increasing the proportion of capital sources of non-State enterprises and FDI enterprises and progressively reducing the proportion of capital

sources of State enterprises. Non-State enterprises attract the most capital sources.

The leader of the General Statistics Office said that the Prime Minister carried out the economic census according to Decision No 307/QĐ-TTg dated February 27, 2020.

This is one of three censuses conducted by the statistics authorities to help the Party and State get an overall economic picture of the country; serving the strategic consulting work of ministries, branches and localities; and grasping the current situation of the economy, and of each industry and locality in particular.

4. Ministry considers adding birthplace information to new passports' appendix due to visa rejections

The newest version of Việt Nam's passport complies with international regulations and is recognised by most countries in the world, Spokesman of the Ministry of Public Security Lt. Gen. Tô Ân Xô has stated.

Speaking at the Government's regular press briefing Xô, who is also the Chief of the Public Security Ministry's Office, said the new passport complies with regulations in the 2019 Law on Exit and Entry of Vietnamese Citizens and also meets the conditions and standards set by the International Civil Aviation Organisation (ICAO).

Many countries, including Japan, the Republic of Korea, Switzerland and Mongolia, do not have the place of birth information on their passports, Xô said.

"Most countries in the world still recognise the new version of the Vietnamese passport. Only three – Germany, Spain, and the Czech Republic – temporarily aren't recognising it due to some technical factors," he continued.

To create favourable conditions for Vietnamese citizens to work, study and travel abroad, the MPS and the Ministry of Foreign Affairs are working with partners of Germany, Spain and the Czech Republic to deal with these technical issues, which Xô said will be handled "very early".

These three European countries have taken issue with the new passports' omission of the place of birth (province/city) field of information, which they claim makes it difficult for immigration authorities to properly verify the identity of the passport holder.

The British and French embassies in Việt Nam, on the other hand, have announced their continued recognition of Việt Nam's new passports but urged travellers and visa applicants to stay up-to-date with the acceptance situation of documents.

The public security representative said the short-term solution is that the MPS will add the place of birth information to the passport's appendix. If necessary, holders of new passports can go to the MPS's Immigration Department or Việt Nam's overseas representative agencies to add their place of birth to the appendix.

The public security ministry will coordinate with other ministries and sectors to consider relevant legal regulations to supplement the place of birth in the latest versions of the passport, according to the official.

Prime Minister Phạm Minh Chính has ordered the Ministry of Public Security to find solutions to the passport issue, to avoid any negative impacts while the country reopens and pursues socio-economic recovery.

5. Copyright infringement runs rampant online

Copyright infringement has been running rampant in Việt Nam, causing great damage to the video industry, according to insiders.

Lê Quang Tỳ Do, Deputy Director of the Broadcasting and Electronic Information Authority, admitted that many websites have been violating copyright regulations in the country by uploading videos without permission.

The website creators are so cunning that they set up their servers overseas to hide traces. Every time an illegal website gets banned, a new one immediately emerges and appears unrelated to the banned one.

By late June, authorities have detected and banned over 500 copyright-infringing websites, but this amount is outpaced by the sites that replace them.

Phạm Hoàng Hải, Director of the Vietnam Digital Content Copyright Centre, revealed that illegal websites fall foul of copyright regulations by live-streaming unauthorised videos, or edit videos and re-upload them on their platforms.

"According to Media Partner Asia, copyright infringement has become increasingly common with 15.5 million unauthorised users in 2022, causing a loss of US\$348 million to the video industry," he said.

He also estimated that unauthorised users would hit 19.5 million by 2027, equivalent to a loss of \$456 million, if the issue is left unchecked.

Nguyễn Thanh Vân, Deputy Head of VTV's Inspection Committee, underscored that Gặp nhau cuối năm is one of VTV's most pirated programmes with over 30,000 unauthorised videos on Facebook and 8,000 on Youtube.

He also said copyright infringement has caused a lot of trouble for national television as football tournament organisers are likely to revoke the copyright granted to VTV once they detect their tournament aired on other platforms without permission.

"If we have the copyright revoked, it is difficult to buy the rights in the following years due to reputational damages," he said.

The situation is worse for K+, the television channel granted the copyright to the English Premier League.

The channel has detected nearly 4,000 unauthorised links broadcasting the tournament in just one month with viewership of millions.

EPL organisers asserted that the severity of copyright infringement related to football broadcasting in Việt Nam is second only to China in the world.

Nguyễn Quang Đồng, Head of the Institute for Policy Studies and Media Development, suggested two solutions for video owners to defend themselves digitally.

The first solution is that the owners report their cases to copyright authorities, such as the Copyright Office under the Ministry of Culture, Sports and Tourism and ask the authorities to fine their violators.

The second solution involves the use of digital tools, which are believed to be quicker and more effective. One candidate for the job is DNS blocking.

Celine Boyer, Head of the Cyber Security at Canal+ Group, shared this view, saying that a French law enacted in early 2022 has allowed internet service providers to actively block copyright-infringed websites.

That means Canal+ has the authority to block all illegal websites accessible to French users, no matter which country their servers are located.

She recommended the culture ministry develop a tool directly connecting video owners and internet service providers to help the former present evidence to the latter more easily, enabling instant blocking.

Nguyễn Ngọc Hân, General Director of the Thủ Đô Multimedia, suggested the use of Sigma DRM to encrypt copyright-protected videos on the Internet and the use of Finger Print to remove illegally live-streamed ones.

6. Non-aviation service businesses enjoy profits in H1

The non-aviation service industry has been on the fast track to recovery in the past few months, following the flourishing of the aviation market, despite the impact of volatile and escalating fuel prices as well as the international market's failure to recover as expected.

Services such as airline meals, duty-free sales, restaurants, and business lounges thus also benefited.

Southern Airports Services Joint Stock Company (SASCO) announced its Q2 net revenue reached nearly VNĐ296 billion (US\$12.65 million), up 216 per cent over the same period last year. Profit after tax of enterprises in the period reached nearly VNĐ84 billion, up 680 per cent compared to a loss of nearly VNĐ14.5 billion in the same period last year. This is the highest quarterly profit since 2019.

In the first six months of this year, SASCO recorded a net revenue that doubled last year, reaching VNĐ427 billion. With a cost of goods sold of VNĐ211 billion, the gross profit of this business reached nearly VNĐ216 billion, up 212 per cent over the same period last year.

After deducting expenses, SASCO's post-tax profit was VNĐ85.6 billion, while in the same period last year, this business recorded a loss of VNĐ1.8 billion.

SASCO said that the company's business was gradually recovering when the number of domestic flights increased, international commercial flights gradually resumed, while in the same period last year the company was strongly affected by social distancing.

Sài Gòn Ground Services JSC (SAGS) achieved Q2 net revenue of VNĐ237.6 billion and gross profit of nearly VNĐ80 billion, up more than 163 per cent and 210 per cent respectively over the same period in 2020.

Accumulated in the first 6 months, SAGS recorded VNĐ406 billion in net revenue, up 126 per cent, nearly VNĐ79 billion in profit after tax, up 143 per cent year-on-year.

For this year, SAGS set a consolidated revenue target of VNĐ795 billion, net profit is estimated at VNĐ108 billion. Thus, this enterprise has completed 51 per cent of the revenue plan and 73 per cent of the profit plan.

In the first half of this year, Nội Bài Cargo Terminal Service Joint Stock Company (NCTS) also recorded a slight growth of 9 per cent in revenue, reaching nearly VNĐ372 billion, profit after tax reached VNĐ142 billion, up 7 per cent over the same period in 2021

Besides businesses with positive growth, many businesses in the airline service industry, although not recording profits, also saw a remarkable reduction in losses in the first half of this year.

Taseco Air Services JSC (AST), which owns a chain of more than 100 retail stores at Việt Nam's airports, mainly at Nội Bài and Đà Nẵng airports, also started to report profit after two years of recording losses.

In the second quarter, this enterprise recorded nearly VNĐ134.6 billion in revenue, up 266 per cent year-on-year, nearly VNĐ16.6 billion of profit after tax.

Accumulated in the first six months of the year, this business has a revenue of over VNĐ202 billion, up 1.8 times over the same period in 2021, reducing its loss to VNĐ7 billion while in the same period last year, Taseco's loss was VNĐ67 billion.

Nội Bài Catering Service JSC (NCS), a subsidiary of Vietnam Airlines, in the first six months of this year, reported revenue doubling, reaching VNĐ144.4 billion. Its losses fell by 73 per cent, equivalent to nearly VNĐ32 billion, to negative VNĐ11.77 compared to the loss of negative VNĐ43.68 billion in the first half of 2021.

Đà Nẵng Airport Service Joint Stock Company (MASCO) also reported its loss declining from negative VNĐ7.4 billion in the first half of 2021 to negative VNĐ1.35 billion in the first half of this year. Meanwhile, revenue grew 130 per cent over the same period last year.

7. HCMC property investors expect market weakening this year

Investors are concerned that HCMC property prices would decline during the rest of the year amid banks' credit tightening and lack of supportive information to prop up the market.

Over the last few months Nhien has been selling out his VND23-billion (US\$984,000) portfolio comprising houses and lands as the market showed signs of falling.

The HCMC man with 15 years' experience in investing in property, says: "I have recouped 35 percent of my capital, less than my expectation of 50 percent. But it is good to have cash as backup instead of putting all of it in property during this time."

The credit policy can have an unpredictable effect, which is why reducing risk is necessary, he explains.

Minh, an investor who focuses on the city's eastern and western markets, says the tightened credit policy and decline in number of transactions are having a negative effect on the market.

Even selling is difficult due to low demand, he says.

"Many investors are uncertain that prices would rise as happened during the pandemic. I am concerned there will be a wave of price declines at the end of the year."

The HCMC property market is being affected by the State Bank of Vietnam's credit tightening policy, consultancy Cushman & Wakefield said in a recent report.

"Tightened credit" has become a frequently used phrase in the market since early April as many banks turned on loan taps following a government order on preventing speculation.

With access to credit becoming increasingly difficult, investors have become more reluctant to buy, leading to a decline in transactions, Cushman & Wakefield said.

Economist Dinh The Hien said at a recent conference that the credit tightening is having a major impact on investor sentiments and many no longer expect prices to increase.

Speculators and short-term investors are not buying as they expect prices to drop even further, and transactions have fallen by 10-20 percent in certain areas in the last few months, he said.

"Investors are selling their assets for reduced profits."

A recent report by property listing platform BatDongSan.com.vn said investors have become less optimistic about market prospects than at the beginning of the year.

Only around 35 percent of respondents expected a price increase in the next one to five years compared to 57 percent at the start of the year, the report, which polled 1,000 people, said.

Corporate News

8. VIX: Mr. Nguyen Van Tuan's wife collects 10 million shares of VIX

↓%

Ms. Duong Thi Hong Hanh has just bought 10 million shares of VIX Securities Joint Stock Company (HOSE : VIX) from July 21 to August 3.

Regarding the relationship, Ms. Hanh is the wife of major shareholder Nguyen Van Tuan, her younger brother Nguyen Thi Tuyet - Vice President and General Director of VIX (Mrs. Hanh is Ms. Tuyet's sister-in-law).

After the transaction, Ms. Hanh doubled her ownership, from 10 million shares (1.82%) to 20 million shares (3.64%).

Transactions are carried out by order matching method on the exchange. Based on the average price, the deal is estimated to be worth about VND 114 billion. This is also the period when the VIX

market price is continuing to recover from the bottom made in June. VIX ticker closed on August 4 at 12,000 dong/share.

Previously, on July 11, Mr. Nguyen Van Tuan bought 1 million VIX shares in agreement from Mr. Phan Duc Linh, raising the holding rate from 14.8% to 15%.

Currently, the group of shareholders including Ms. Hanh and related people are holding nearly 148 million shares (26.95%).

Regarding the business situation, accumulated in the first half of the year, VIX recorded a revenue of 768 billion dong, profit after tax of 326.5 billion dong, down 11.4% and 23.7% respectively over the same period in 2021

9. Declining revenue in most segments, DXG reported a 55% drop in Q2 net profit

↑ 6.82%

In the second quarter of 2022, due to the delay in handing over as well as revenue recognition from some projects, net revenue and net profit of Dat Xanh Group (HOSE : DXG) decreased by 57% and 55% respectively compared to the previous quarter. with the same period.

Specifically, in DXG 's 4 business segments , only investment property management and leasing

services recorded growth in revenue in the second quarter of 2022. However, this is the segment that accounts for the lowest proportion of revenue of the Company. Meanwhile, DGX's main business, which is selling apartments and land plots, dropped by more than 71%. As a result, net revenue for the whole period decreased by 57%, to VND 1,550 billion.

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