



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Shares finish higher on bottom purchasing

The stock market finished higher on Monday as bottom-fishing activities lifted large-cap stocks.

The VN-Index on the Ho Chi Minh Stock Exchange (HoSE) closed the day at 1,027.94 points, an increase of 0.06 per cent.

The market breadth was negative with more stocks decreasing, of which 138 stocks inched higher and 317 reduced.

More than 662 million shares were traded, equivalent to a value of VND11.4 trillion (US\$458.7 million).

The 30 biggest stocks tracker VN30-Index posted a loss of 0.26 per cent, to finish Monday at 1,026.84 points. Of the VN30 basket, 13 stock climbed, while 13 declined and four ended flat.

The increasing bottom-fishing demand at the end of the session supported many sectors. Securities stocks ended the session with nine gainers and 11 losers, of which Ho Chi Minh City Securities Corporation (HCM) soared 6.8 per cent, Viet Capital Inc (VCI) increased by 5.22 per cent, VIX Securities Joint Stock Company (VIX) rose by 4.02 per cent, MB Securities (MBS) gained 3.1 per cent, SSI Securities Inc (SSI) increased by 2.52 per cent.

Other industry stocks like fisheries, banking, and utilities also saw positive results in the closing minutes.

On the other hand, the building materials industry was sold the most in the market. In which, Hoa Phat Group (HPG), Hoa Sen Group (HSG) and Nam Kim Group (NKG) suffered massive sell-offs after announcing less positive third-quarter business results. HPG recorded a sudden liquidity of more than 66 million shares, of which foreign investors net sold more than 20 million shares.

On a sector basis, 10 out 25 sector indices on the stock market gained ground, including insurance, securities, information technology, food and beverage, seafood processing and banking.

Losers, meanwhile, were wholesale, construction, logistics, agriculture, real estate, retail, construction materials, rubber production, plastic and chemical production, oil and gas, and healthcare.

The HNX-Index on the Ha Noi Stock Exchange (HNX) ended lower. The northern market index declined 1.54 per cent, to close at 210.43 points.

More than 50.8 million shares were traded on the HNX, worth VND713 billion.

## Macro & Policies

### 2. Industrial production index up 9% in 10 months

MPI Minister Nguyen Chi Dung said improvements have been seen in production and businesses over the past time, with the IIP in October alone rising 6.3% year-on-year.

Trade and services, especially the domestic demand, continued their recovery trends.

In the month, the number of newly-established firms also increased 58.3% as compared with the same period last year.

Between January and October, the number of new firms and those resuming their operations reached nearly 178,500, up 38.3% year-on-year and 1.3 times that of those leaving the market.

### 3. Vietnam invests over 450 million USD overseas in 10 months

According to the Ministry of Planning and Investment, there were 90 new projects valued at over 390.1 million USD, a 1.8-fold rise year-on-year, with the most notable invested by VinES Energy Solutions Joint Stock Company in the US, Canada, France, Germany and the Netherlands, each worth more than 34.68 million USD.

Meanwhile, 19 projects registered to increase their investment capital by over 61.9 million USD, equivalent to 14.5% of the amount in the corresponding time last year.

Vietnamese investors poured capital into 14 sectors, mainly processing and manufacturing with 224 million USD; real estate, 42.8 million USD; and mining, wholesale and retail.

Among the 25 countries and territories where Vietnamese investors are operating, Singapore took the lead with 20 projects and combined capital of nearly 75.3 million USD. It was followed by Laos, the US, Germany and the Netherlands.

As of October 20, Vietnam counted 1,594 overseas valid projects worth over 21.68 billion USD, mainly specialising in mining (32.1%) and agro-forestry-fishery (15.9%).

Laos, Cambodia and Venezuela received the most Vietnamese investment capital, the ministry said.

The ministry also said foreign capital inflows fell whereas disbursed capital rose in the first 10 months of 2022.

The total newly-registered capital, adjusted capital, and capital contribution and share purchase stood at 22.46 billion USD in the January-October period, down 5.4% year-on-year.

Specifically, 1,570 projects were granted investment registration certificates during the period, with total registered capital of 9.93 billion USD, down 23.7% from last year.

One bright spot was disbursed capital, which topped 17.45 billion USD in the first ten months of the year, 15.2% higher than the same period last year. It was expected to hit 22 billion USD by the year-end.

Adjusted capital, as a single item itself, reached over 8.74 billion USD, up 23.3% year-on-year. Roughly 880 projects registered for capital adjustment during the ten-month period.

There were 2,997 capital contributions and share purchases by late October, equivalent to 3.97 billion USD. The figure was 4.5% higher than that in 2021.

#### 4. Airlines to add 1.6 million seats for Lunar New Year festival

The firms intended to add 8,079 flights to their plans in the period, equivalent to 32% of the total, lifting the total 33,691 flights.

CAAV said the daily average number of flights will increased to 1,087 from 826.

The routes that will see more flights include Ho Chi Minh City to Hanoi, Da Nang, Dong Hoi, Vinh, Thanh Hoa, Chu Lai, Hai Phong, Qui Nhon, Hue and vice versa, it added.

As many as 1,901 flights are expected to be operated on the HCM City – Hanoi route during the holiday, up 22%. Meanwhile, about 1,618 flights will be conducted on the Hai Phong – HCM City route, up 54%.

Notably, the number of flights on HCM City – Chu Lai and Hue – HCM City routes is expected to surge 131% and 122% to 1,208 and 1,867, respectively.

#### 5. Hai Phong to reduce seaport infrastructure fees for watercraft

The northern port city of Hai Phong will consider reducing seaport infrastructure fees for watercraft by 50 per cent at the upcoming city council meeting.

According to the draft amending Resolution No 148/2016/NQ-HDND dated December 13, 2016 of the People's Council of Hai Phong City on seaport infrastructure fees, the fee for imported and exported goods entering and leaving by inland waterway transport in the city will be cut by 50 per cent.

The draft will be considered and approved by the city's People's Council at the upcoming ninth session of the 16th term, taking effect from January 1 next year. The City People's Committee is to direct related departments, branches and agencies and units in the implementation of the resolution.

According to the Viet Nam Inland Waterways Administration, associations and businesses, there are currently two localities nationwide that collect seaport infrastructure fees for goods imported, exported and transited through seaports.

Hai Phong applied them from 2017, and HCM City applied them from April 1 this year.

Businesses and associations have repeatedly suggested that the collection of seaport infrastructure fees for goods transported by inland waterways was unreasonable and not to the right subjects.

At the same time, it increases the burden on businesses, and creates a situation of "charges on top of fees", reducing the competitiveness of water transport enterprises.

Faced the above problem, the Ministry of Transport has written to the People's Council and People's Committee of Hai Phong and HCM City to consider recommendations of associations and businesses on the exemption and reduction of seaport infrastructure fees for goods transited and transshipped by inland waterway.

In HCM City, after three months of implementation, the resolution of the municipal People's Council decided to offer free services to and reduce fees for goods transported by inland waterways and businesses that do declarations outside the territory of HCM City from August 1 this year.

## 6. SMEs participating in digital transformation grow rapidly

The Small and Medium Enterprises Support Programme for Digital Transformation (SMEdx) of the Ministry of Information and Communications has reached about 490,000 SMEs by the end of last month, accounting for 61 per cent of the total number of enterprises nationwide, achieving an average growth rate of 20 per cent per month.

More than 62,000 SMEs choose to use the platform in the SMEdx programme, an average increase of 15 per cent monthly.

After the COVID pandemic, most businesses, including SMEs, are aware that digital transformation is an irreversible trend for businesses to adapt and overcome the difficulties of the pandemic.

Therefore, the number of SMEs accessing the SMEdx platform has increased sharply, from 190,000 enterprises in April to more than 490,000 enterprises last month, a growth of 250 per cent.

Among the nine excellent foundation groups of the SMEdx programme, the enterprise governance platform is the most used by enterprises (39.8 per cent), followed by human resources and organisation (17 per cent), tourism and hotel platforms (16 per cent), technology infrastructure platform (14 per cent), and financial accounting platform (10 per cent).

To support SMEs in implementing effective digital transformation, the SMEdx programme is committed to providing three to six months free of charge to SMEs with less than 50 people.

SMEs, which use digital platforms, do not need to invest in operation, but just need to pay according

to a monthly "subscription" which is both simple and secure.

There is a large difference between provinces and cities in term of the percentage of SMEs using the SMEdx platforms by the end of September. Some provinces and cities have a high percentage of businesses using the platform such as Ha Noi (34 per cent), HCM City (32.7 per cent), Da Nang (11.5 per cent), Ca Mau (7.5 per cent), and Binh Duong (2.5 per cent).

Some localities have low participation rate of SMEs such as Dien Bien, Hoa Binh, Tay Ninh, and Hau Giang.

The reason for this disparity is that the localities with a high percentage of SMEs using the SMEdx digital platform are basically localities experiencing the COVID pandemic quite heavily, so the perception of businesses about transformation is very high.

These localities are big cities where a large number of SMEs are concentrated, and these businesses have many opportunities to access information, policies as well as digital transformation technology.

Localities in remote, isolated and disadvantaged areas still face many obstacles in the process of digital transformation and accessing digital platforms for business development, mainly in terms of awareness and capacity.

## 7. SOEs needs to innovate as VN aims to have at least 25 with market cap from \$1 billion

It was critical for State-owned enterprises (SOEs) to strengthen innovations as Viet Nam set the target of having at least 25 SOEs with a market capitalisation of US\$1 billion and more.

According to Minister of Finance Ho Duc Phoc, SOEs are slow to innovate, and this means they fail to keep up with the rapidly changing requirements of the market-based economy.

He pointed out that the inadequate policies for managing SOEs remained a major cause of their slow innovation and confusion in developing investment strategies and plans.

In addition, the policies on salary and remuneration were not attractive for SOEs to attract high-quality human resources.

The legal framework for management and usage of State capitals at SOEs should be reviewed and improved in line with the amendments to the Law on Bidding and the Law on Land to ensure efficiency, he said.

The recent Government report submitted to the National Assembly revealed that the operation efficiency of SOEs was below expectation while the investment efficiency of SOEs was not as high as expected when the projects were approved.

Some projects with huge investments failed or incurred losses for many years while the restructuring plans did not work.

The report showed that State-owned enterprises saw the total revenue in 2021 drop by 12 per cent against 2020. Pre-tax profit also fell by 20 per cent. Many SOEs earned low ratio of pre-tax profit to equity, around 1-5 per cent which was below the average banking deposit interest rate.

Eighty-four out of 401 SOEs reported accumulated losses for many years.

SOEs failed to play their role in driving the development of other sectors and promoting value chain linkage, the report wrote.

In addition, SOEs were weak in industries that affected the improvement of the economy's competitiveness such as high technology, precision mechanics, component manufacturing and source technology.

Most SOEs in key and spearhead industries operated in a close-ended manner which did not create conditions for other enterprises to participate in their value chains.

According to the report, Viet Nam set the target to have at least 25 SOEs with a market capitalisation or equity of \$1 billion or more by 2025, 10 of which would be worth \$5 billion.

While SOEs were considered to continue supplying necessary goods and services for society and contributing to economic strength, the contribution of SOEs to the State budget was expected to increase by 5-10 per cent in the 2021-25 period compared to the previous five-year period.

The Government also targeted that all SOEs would be managed via digital platforms following the governance principles of the Organisation for Economic Co-operation and Development

The investment of SOEs would be switched to green technology and reduction of carbon emissions.

The focus would be on continuing restructuring and improving the efficiency of SOEs and separate projects.

According to Minister of Planning and Investment Nguyen Chi Dung, SOEs needed to focus on research and development, innovation, digital transformation, infrastructure development and finance to create growth drivers.

It was necessary to improve policies and mechanisms for the management of SOEs to enable

them to operate under the market-based mechanism, Dung said.

As of the end of last year, there were 826 SOEs, 476 of which were wholly State-owned. The total State capital at SOEs was more than VND1.6 quadrillion, up by 3 per cent against 2020.



## Corporate News

### 8. MSB: SSC approved the report on result of stock issuance to increase capital

↑ 1.22%

Vietnam Maritime Commercial Joint Stock Bank received the Official Dispatch No.7123/UBCK-QLCB dated October 26, 2022 from the State Securities Commission of Vietnam (SSC) regarding the approval of the report on result of stock

issuance for increasing capital from the owner's equity of Vietnam Maritime Commercial Joint Stock Bank (MSB).

### 9. NVL: Explanation for the consolidated financial statements in Q3.2022

↓ -3.45%

No Va Land Investment Group Corporation explained has the movements of the consolidated financial statements in Quarter 3/2022 compared to the same period of last year as follows:

Unit: VND

	Q1/2022	Q1/2021	Difference	% increase/ decrease
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Profit after tax	236,129,280,729	535,703,852,419	(299,574,571,690)	(55.92%)
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The Company's consolidated profit after tax in Quarter 3/2022 decreased by 55.92% compared to the same period of 2021 mainly due to the increase in the financial expenses.



**Research Team:****Tsugami Shoji**

Researcher

[jsi@japan-sec.vn](mailto: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](mailto:info@japan-sec.vn)*

*Website: [www.japan-sec.vn](http://www.japan-sec.vn)*