



VIETNAM DAILY NEWS



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Market Analysis

1. Shares end two-day rise as large-caps falter

The Vietnamese stock market settled lower on Wednesday, ending its two-day gaining streak due to the slump of heavy-weight stocks.

The VN-Index on the Ho Chi Minh Stock Exchange (HoSE) lost 1.02 per cent, to close at 1,023.19 points. The index had gained 0.63 per cent in the last two sessions.

More stocks moved to the downside on the southern bourse, of which 164 ticker symbols inched higher, while 273 stocks finished lower.

Liquidity declined compared to the previous session, with more than 578.2 million shares traded on HoSE, worth nearly VND10.74 trillion (US\$402.3 million).

The benchmark index was pressured by losses in large-cap stocks, with the 30 biggest stocks tracker VN30-Index posting a decrease 1.24 per cent, to 1,025.18 points. Five stocks in the VN30 basket jumped, while 22 stocks slid. And three stocks ended flat.

The worst performers in the VN-30 basket were still pillar stocks in banking and manufacturing industries. In the top five stocks influencing the market, Masan (MSN) was the biggest loser with a 6.4 per cent decrease. It was followed by Vincom Retail (VRE), Techcombank (TCB) and Vietcombank (VCB), down 1.7-1.9 per cent.

Securities stocks decreased towards the end of the session. VN-Index's loss was significantly broadened as securities stocks declined strongly, such as VNDirect Securities Corporation (VND), Saigon-Hanoi Securities JSC (SHS), Viet Capital Incorporation (VCI), Agribank Securities Corporation (AGR) and APG Securities Joint Stock Company (APG).

Energy stocks also performed negatively with losers such as Viet Nam National Petroleum Group (PLX), PetroVietnam Technical Services Corporation (PVS), PetroVietnam Drilling and Well Services Corporation (PVD) and Drilling Mud Joint Stock Corporation (PVC).

On a sector basis, 14 out of 25 sector indices on the stock market lost ground, including insurance, retail, banking, wholesale, construction, rubber production, logistics, real estate, and securities.

On the Ha Noi Stock Exchange (HNX), the HNX-Index also finished lower. It lost 0.33 per cent, to 211.66 points.

During the session, VND706 billion worth of shares, equivalent to a trading volume of nearly 47.3 million shares, was traded on the northern market.

Macro & Policies

2. Enterprises look to accelerate as end of year approaches

After a tumultuous and challenging year for the global economy, the negative impacts of the COVID-19 pandemic caused many businesses to leave the market. However, others tried their best to stay and stabilise production, changing business directions to adapt to the new situation.

Experts said those staying enterprises had provided training to equip the knowledge, quickly organise the re-training of the team, focused on restructuring human resources, strengthening management skills and designing contingency scenarios.

Enterprises had to prepare all resources in terms of capital, people and goods to speed up production progress and rhythm. The sales and market development department constantly added people and designed promotional programs or preferential price policies to promote sales.

Dao Cong Lang, a representative of the An Binh Garment Export Joint Stock Company, said that the firm had almost completed its production and business plan for 2022 and was designing and developing a plan for next year.

Due to the determination to invest, in a short time, An Binh had a recovery far beyond expectations. Not only solving outstanding orders, the firm also received new orders for production, taking output to cover costs and creating more jobs and income for workers.

Lang told the media in a short time the firm had achieved business results exceeding the annual target, exploited some new markets, and found many suppliers of raw materials for production. Currently, An Binh plans to invest in a new potential field, expand the factory scale, and upgrade equipment simultaneously.

Lang said there were risks and opportunities at this time of the year. If businesses did not timely grasp and take advantage, creating a breakthrough to grow and develop strongly now, it would be

extremely difficult for a high probability at other times.

Truong Chi Thien, General Director of Vinh Thanh Dat, predicted from now until the new year, the price of poultry eggs would not change as egg production would be abundant, and the business was still able to meet the 50 per cent increase in consumer demand in December.

In Ho Chi Minh City, several products such as confectionery and beverages were also being boldly set by many businesses with high output and sales targets. In addition, companies producing and trading poultry meat and eggs in many provinces and cities also completed the preparations at livestock farms and associated farms to ensure the supply of goods to the market from now until the Tet (Lunar New Year) 2023.

The Vietnam Animal Products Industry Joint Stock Company (Vissan) has also prepared a budget of about 710 billion VND (30.8 million USD) to reserve and produce lunar new year's goods, an increase of 20% compared to the same period in 2021.

According to the General Statistics Office, along with the optimism about the business prospects in the fourth quarter of 2022, the business registration in the first nine months also showed positive signs.

In the fourth quarter of 2022, businesses expect their business situation to be even better than in the third quarter of 2022 when 48.7% of enterprises have a positive assessment, and 33.9% of enterprises think that the production situation is positive and business will be stable. Only 17.4% of businesses forecast more difficulties.

Although there are many signs of growth and recovery, according to a report from the World Bank, Vietnam needs to be cautious with inflation risks related to food prices and basic commodities. In addition, although fuel prices have cooled recently, global fuel price volatility remains unpredictable.

In addition, the social assistance system needs to be strengthened, including registration, target selection and disbursement systems, to facilitate access to the affected people.

The WB also pointed to a more serious deceleration than expected of Vietnam's leading important trading partners as the main risk for the external economic sector. In addition, geopolitical tensions also increase uncertainty and can cause changes in trade and investment trends, affecting a highly open economy like Vietnam.

Earlier, Carolyn Turk, World Bank Country Director for Vietnam, also said that to maintain economic growth at the desired rate, Vietnam needed to increase productivity by 2-3% per year.

International experience shows that productivity gains can only be achieved by investing in the education system, which is an important part of the necessary investments and reforms package. She added that a competitive and productive workforce was what the country needed in the long term.

3. Aquatic exports post 34-percent-growth in 10 months

Of the figure, shrimp exports earned nearly 3.8 billion USD, an increase of 19% from the same period last year, and are expected to top 4.4 billion USD in 2022, 14% higher than that of 2021.

Tra fish exports recorded an impressive growth in the reviewed period, with the 10-month turnover hitting nearly 2.2 billion USD, surging by 80% year-on-year. This item's yearly export turnover is forecast to reach over 2.5 billion USD, up 58% compared to 2021.

According to businesses, in 2022, the global inflation and the Russia-Ukraine conflict have sharply increased the export of affordable white fish products such as tra fish. The import value of tra fish products from Vietnam have increased by 40-200% this year.

Meanwhile, tuna export during Jan – October was estimated at 890 million USD, up 50% over the same period. It is forecast that by the end of 2022, tuna will join the group of the over-1-billion-USD exports for the first time.

Squid and octopus products also witnessed stable export growths in the last 10 months, reaching 625 million USD, up 32% year-on-year. The figure is expected to rise by 22% to 734 million USD in 2022.

The country's aquatic export turnover is predicted to top 10 billion USD by the end of November – the record of Vietnam's seafood industry after over 20 years.

According to Vice Director of VASEP's Trade Promotion and Training Centre Le Hang, the aquatic export turnover will account for 3% of the country's total in 2022.

4. Sugar industry targets to restore cane output

According to the Vietnam Sugar Association, the total area supplying sugarcane is expected to reach 151,305 hectares in the 2022-23 crop.

The crop's output of sugarcane for processing is about 8.76 million tonnes, with the average yield at 66.2 tonnes per hectare. Sugar production from sugarcane was 870,930 tonnes, an increase of more than 124,000 tonnes compared to the 2021-22 crop.

Besides that, this positive forecast is supported by applying measures of trade remedies for several

cane sugar products imported from Cambodia, Indonesia, Laos, Malaysia and Myanmar within five years.

In the 2022-23 crop, only 24 sugar processing factories are expected to operate, equal to the number of factories operating in the 2021-22 season, with a total design capacity of 122,200 tonnes of sugarcane per day.

In this crop, according to sugar processing enterprises, to ensure sustainable development,

Vietnam's sugar industry needs to strengthen and develop the linkage in the sugarcane production chain.

"The enterprises also need to join hands to build a healthy sugar market. The trade remedies for the sugar products are not only against dumping and subsidy but also to stabilise the market," said Nguyen Van Loc, chairman of the Vietnam Sugar Association.

In addition, it is necessary to make transparency in the analysis of the commercial cane sugar (CCS) index and evaluation of removing the impurity rate of sugar in mills. That will bring benefits to farmers and enterprises.

Previously, Vietnam had more than 300,000 hectares for planting sugarcanes. However, in recent years, more than half of the total sugarcane area has been converted to other crops by farmers.

Therefore, the sugarcane and sugar industry needs to restore the sugarcane material area with 250,000 hectares in 2025 and 300,000 hectares in 2028.

To achieve those development goals, the Vietnam Sugar Association recommends that the Ministry of Agriculture and Rural Development prioritise funding for researching sugarcane varieties and implementing sugarcane variety projects in key sugarcane production areas.

It proposes to add sugarcane to the list of eligible crops receiving insurance because natural disasters affect sugarcane farmers.

The association also requests the Government and the ministry to support it in building a national traceability management system for sugar products. This system could manage and identify smuggled and fraudulent sugar products consumed on the market.

It believes that preventing smuggled and fraudulent products needs the participation and cooperation of all association members to enhance effectiveness in this activity.

According to the association, in the 2021-22 crop, the total of raw materials for processing reached about 7.5 million tonnes of sugarcane, an increase of 11.6% compared to the 2020-21 crop.

About 24 factories processed 949,219 tonnes of sugar, including 746,899 tonnes from domestic sugarcane and the rest from imported raw sugar.

In the 2021-22 crop, the price of raw sugarcane increased by about 100,000-150,000 VND per tonne compared to the previous crop.

That made many farmers return to sugarcane production, leading to an increase in sugarcane yield. Therefore, although the area of sugarcane has decreased, the output of sugarcane was the same as that of the previous crop.

The total sugarcane planting area nationwide in 2021 was 166,902 hectares, down from 185,455 hectares in 2020. Vietnam's average sugarcane yield was 64.5 tonnes per hectare in 2021, an increase of 2.5% per year.

5. Vietnam's unemployment rate reported at 2.3%

Dao Ngoc Dung, Minister of Labor, War Invalids, and Social Affairs, said that Vietnam's economy had rebounded faster than expected, and therefore, the nation's unemployment rate is kept low.

The market has seen positive vocational education and training results, with the employment quality improving.

The number of employees working in industries related to their expertise has risen.

Many Vietnamese personnel are now in charge of management roles in foreign-invested companies, particularly in the oil and gas, mechatronics and telecommunications industries.

However, Dung noted that challenges remain in the domestic labor market, including a shortage of highly qualified people and a large proportion of non-contract workers.

The ministry seeks to model the vocational education and training programs carried out in

developed nations such as Germany, Japan and Australia.

The authorities will prioritize strengthening the country's skills-based education and training capacity to develop employees with verified credentials.

6. Petrol price stabilisation fund proposed to be maintained: NA meeting

The Government proposed the operation of the petrol price stabilisation fund should be maintained because it remained an effective tool to regulate petrol prices.

Cuong said that prices of textbooks had a wide impact, especially on low-income earners, thus, it was necessary to manage textbook prices to prevent negative effects.

The point was made in the draft of the amended Law on Price which Minister of Finance Ho Duc Phoc presented to the National Assembly on Wednesday afternoon.

Enhance rights of consumers in the digital economy

Phoc said that the fund had been used consistently and proved to be effective in controlling inflation, stabilising the macro-economy, maintaining growth and ensuring social security.

National Assembly members agreed on Wednesday morning that issuing the amended laws on the protection of consumer rights and electronic transactions is essential to better protect the rights of consumers in the rapidly changing digital economy.

Amid petrol price volatility, the fund was necessary, Phoc said, adding that the Government agreed to maintain the operation of the fund and at the same time, strengthen the mechanisms in implementation to ensure transparency.

Deputy Trinh Lam Sinh from An Giang Province said that the Law on Protection of Consumer Rights 2010 proved to be outdated after 12 years.

In response, Chairman of the NA Finance and Budget Committee Nguyen Phu Cuong said that careful consideration must be given to the operation of the petrol price stabilisation fund.

He pointed out that Viet Nam was one of the leading countries in e-commerce development and there were a number of problems related to consumer rights in e-commerce transactions.

Cuong said some agreed that the fund should just be operated at certain times for a specific duration. The management of the fund required more flexibility, efficiency, timeliness, and transparency.

The amendments were needed to ensure regulations keep pace with market developments, he said.

Meanwhile, some said that the fund would be terminated to let domestic petrol prices be more market-based.

Deputy Do Duc Hong Ha from Ha Noi said that the definition of consumers and consumer rights must be clarified to ensure feasibility, adding that consumers in the traditional form were different from those on digital platforms and online.

Under the draft law, 40 categories of products and services were subject to State management on prices, with textbooks newly added.

Deputy Ta Dinh Thi also from Ha Noi delegation said that sanctions must be strong enough to better protect the rights of consumers. The security of consumer information must also be enhanced.

The responsibilities of producers and distributors who sold counterfeit goods and poor-quality goods must be clarified, deputy Truong Xuan Cu from the Ha Noi said, adding that the punishments remained too light.

Cu also said that consumers, especially the elderly and the marginalised, should have the right to be provided with consultancy.

Deputy Nguyen Thi Ngoc Xuan from Binh Duong Province said that the regulations on international cooperation in the protection of consumer rights must be more detailed in the context that cross-border trade was becoming much easier with the growing popularity of e-commerce.

In response, Minister of Industry and Trade Nguyen Hong Dien said that the draft focused on enhancing the protection of consumer rights in transactions involving digital transformation and in cyberspace.

Specifically, the draft regulated the responsibilities of business organisations and individuals in remote transactions with consumers, remote contracts and what business organisations and individuals operating in digital platforms were banned from.

He added that the draft also encouraged the operation of social organisations in the protection of consumer rights.

Discussing the Law on Electronic Transactions, NA members agreed that there was a lack of a specific provision on legal validity and reliability for a number of factors in electronic transactions such as electronic signatures and accounts for electronic transactions as well as the legal value of electronic forms.

The amended Law on Electronic Transactions to replace the one that existed from 2005 was essential to keep pace with the development of the Fourth Industrial Revolution, Minister of Information and Communications Nguyen Manh Hung said.

He said that regulations on electronic transactions and transactions on digital platforms played an important role in the development of the digital economy.

Deputy Do Duc Duy from Yen Bai Province said that it was necessary to raise solutions to ensure security for enterprises and residents in electronic transactions, especially banking transactions and cross-border online transactions.

7. Local airlines to operate 33,700 flights during Tet holiday

According to the Civil Aviation Authority of Vietnam, the local airlines have already arranged 25,613 flights and will add an extra 8,079 between January 6 and February 5, 2023 (between the 15th day of the 12th lunar month and the 15th day of the 1st lunar month).

They will raise the number of daily flights during the above period from 826 to 1,087, up to 260 flights per day. The number of seats will increase by 1.6 million, from 5.1 million to 6.7 million.

The carriers will mostly increase the flight frequency on the busy domestic routes linking HCMC, Hanoi with Danang, Dong Hoi, Vinh and

Thanh Hoa and on international routes between Vietnam and Southeast Asia, Northeast Asia and Australia.

Since mid-August this year, three carriers under the Vietnam Airlines Group, namely Vietnam Airlines, Pacific Airlines and VASCO, have offered millions of air tickets for international and domestic flights on the occasion of Tet.

The total number of international flights operated by Vietnam Airlines during the upcoming holiday has almost doubled, as many countries and territories have eased travel restrictions.

As for Vietravel Airlines, another local carrier, on October 4, it started offering 70,000 tickets for the Tet holiday. As of October 20, the occupancy rate of

flights during the period had reached 75%, said a Vietravel Airlines representative.

Corporate News

8. VNM: Explanation for business result in Q3/2022

↓ -2.37%

Viet Nam Dairy Products Joint Stock Company has explained the decrease in profit of Quarter 3/2022 and the first 09 months of 2022 compared to Quarter 3/2021:

Reasons:

1. Input material prices was high.
2. Supply chain disruption due to the outbreak of Coronavirus (Covid - 19) pandemic and political instability.
3. Exchange rate and interest rate were high.

9. HSG: Hoa Sen Group records huge loss in Q4

↑ 6.44%

Giant steel maker Hoa Sen Group suffered a record loss of VND886 billion (US\$35.7 million) in the fourth quarter of the fiscal year 2021-2022, starting from October 1, 2021 to September 30, 2022.

In the period, the group recorded revenue of VND7.9 trillion, down by half compared to VND15.7 trillion recorded in the same period last year.

Doing business below cost made the company's gross profit total negative VND230 billion, while in the same period last year this figure was VND2.47 trillion.

After deducting expenses, Hoa Sen reported an after-tax loss of more than VND886 billion. This was also the largest loss the business ever reported.

Explaining the third quarter business results, Hoa Sen said that the main reason was the continuous decrease in steel prices together with slow consumption demand, leading to a sharp decline in gross profit margin.

In the whole fiscal year 2021-2022 (from October 1, 2021 to September 30, 2022), Hoa Sen reported revenue of VND49.7 trillion, completing 107 per cent of the yearly plan but net profit was only VND251 billion, down 94 per cent.

Hoa Sen Group said that although the business plan for the fiscal year 2021-2022 was carefully built, the unforeseen fluctuations mentioned above made the business unable to complete the profit plan.

As of September 30, 2022, Hoa Sen's total assets decreased by 36 per cent compared to the beginning of the year at VND17.02 trillion. In which, inventory reached VND7.37 trillion, accounting for 43.3 per cent of total assets; fixed assets reached VND5.96 trillion, accounting for 35 per cent of total assets.

In the Vietnamese market, steel prices continuously fell while demand was slow, inventories could not be reduced immediately, leading to losses for businesses in the fourth quarter of 2022.

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