



VIETNAM DAILY NEWS



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Market Analysis

1. Shares end lower amid profit-taking activities

The stock market decreased on Friday due to the increased profit-taking pressure in the face of the year-end holidays.

On the Ho Chi Minh Stock Exchange (HoSE), the VN-Index declined slightly by 0.22 per cent, to close the trading day at 1,007.09 points.

The market's breadth was neutral with 209 shares gained and 189 losing ground, while liquidity still decreased compared to the previous session. Of which, more than VND7.4 trillion (US\$314.2 million) worth of shares, equal to a trading volume of over 407 million stocks, was traded on the southern bourse.

The benchmark index was under stronger selling force pressure, with many pillar stocks reporting great losses.

The VN30-Index, tracking the 30 biggest stocks on HoSE, was down 0.31 per cent, to 1,005.19 points. Up to 13 ticker symbols of the VN30 basket went down, while 14 stocks edged higher, and three stocks ended flat.

Banking, securities, and food and beverage led Friday's bearish trend. Notable losers included Techcombank (TCB), Sai Gon Thuong Tin Commercial Joint Stock Bank (STB), Military Bank (MBB), Vietnam International Bank (VIB), Sai Gon-Ha Noi Bank (SHB), Asia Commercial Bank (ACB), Vietinbank (CTG), VPBank (VPB), Tien Phong Bank (TPB), Lien Viet Post Bank (LPB), Hoa Phat Group (HPG), SSI Securities Inc (SSI), Khang Dien House (KDH), Novaland (NVL), Vinamilk (VNM) and Sabeco (SAB).

However, the index pared losses on gains in oil stocks, such as Viet Nam National Petroleum Group (PLX), PV Power (POW).

According to Nguyen Anh Khoa, head of the Securities Analysis Department of Agriseco, although the market sentiment was quite cautious amid the lack of supportive information prior to the upcoming Tet holiday, bottom-fishing demand still appeared when the index dropped to the important support level of 985-1,000 points.

This showed that many investors were still looking for bottom-fishing opportunities at low prices. Observing market movements, this demand may come from foreign investors, as they continued to be net buyers in the last four sessions with a total value of nearly VND2 trillion.

The expert believes that with the market trend still not having many clear signals and little supporting information, the index might have another 1-2 drops in the first weeks of 2023 to test supply and demand before entering a new trend.

Forecasting the business results of the fourth quarter of 2022, Khoa expects that some industry groups will have grown over the same period of 2021 such as aviation-tourism, or food-beverage.

The HNX-Index on the Ha Noi Stock Exchange (HNX) also dipped by 0.6 per cent, to 205.31 points.

During the session, nearly 35.6 million shares were traded on the northern market, worth nearly VND471.7 billion.

Macro & Policies

2. Vietnam enjoys trade surplus of US\$11.2 billion this year

The country's export revenue totaled US\$371.85 billion this year, up 10.6% year-on-year. Domestic companies shipped goods worth US\$95.09 billion, rising by 6.5% against 2021 and accounting for 25.6% of the total export value, while foreign-invested firms, including in the oil industry, generated export revenue of US\$276.76 billion.

As many as 36 product lines reported an export value of over US\$1 billion each, representing 94% of the total export revenue.

On the import side, Vietnam bought goods worth US\$360.65 billion from foreign markets in 2022, up 8.4% year-on-year. Of the total, domestic businesses

made up US\$125.79 billion, while foreign companies represented US\$234.86 billion.

In December alone, Vietnam exported goods worth US\$29.7 billion, up 2.2% month-on-month, and spent US\$29.2 billion on imports, up 3.1% month-on-month.

Ngo Chung Khanh, a representative from the Ministry of Industry and Trade, said that in the months to come, the ministry would closely collaborate with other relevant ministries and agencies to update information about free trade agreements (FTA) and upgrade the FTA portal to pave the way for firms to further tap the European market via the European Union-Vietnam Free Trade Agreement.

3. Hanoi targets to attract US\$400 million in industrial parks

Hanoi Export Processing and Industrial Zones Authority (HIZA) Director Le Quang Long gave the information at an investment promotion conference in the city's industrial and production zones held on Dec. 28.

Other objectives include a 10% increase in industrial company revenues and a 13% increase in export growth year-on-year.

Hanoi is set to complete the preparation process for the construction of two to three new industrial parks and map out a complete development plan for a network of industrial parks in the city during the 2021-2030 period, with a vision for 2050.

At the conference, Vice Chairman of the Hanoi People's Committee Nguyen Manh Quyen said that Hanoi's economy has achieved strong results by completing all 22 socio-economic objectives set for 2022.

Among the key objectives were a GRDP growth of 8.89% - the city's highest economic growth in the

past 10 years, and state budget revenue expansion of 6.8%, exceeding the year's estimate.

"Local businesses have contributed a major part to such positive results," Quyen said.

For next year, Quyen expected Hanoi to continue speeding up the decentralization of powers among state agencies, focusing on the simplification of administrative procedures and greater support for businesses.

"The authorities are determined to continue the administrative reform and address concerns of the businesses, shortening at least 50% of the processing time for procedures related to land, investment and construction management," he said.

In 2022, HIZA attracted \$360 million in investment capital into industrial parks, up 20% from the previous year, including 10 new projects worth \$35 million, while investors injected an additional 324 million into 18 ongoing projects.

Among investors with large projects in the city included Meiko Vietnam Electronics with additional capital of \$150 million, Shunyun Hanoi Vietnam (\$90.5 million), Nidec Sankyo (\$32.5 million), TMC Vietnam Medical Equipment (\$16.7 million); and HTMP (\$6.7 million).

Hanoi currently has 10 industrial parks covering a total area of 1,300 hectares, nine of which have been put into operation with an occupancy rate of nearly 100% while the remaining one is the Hanoi South Supporting Industrial Park which is under construction. Companies in 10 industrial parks in Hanoi generated revenue of \$8.1 billion in 2022, up 4.1% year on year.

HIZA reported industrial parks in the city is home to 711 valid projects, including 307 from foreign investors with registered capital of \$6.3 billion, and 404 from domestic sources worth VND19 trillion (\$803.5 million), creating jobs for nearly 166,000 locals.

For the 2021-2030 period, Hanoi sets the goal of having a total of 24 industrial parks of 5,831 hectares.

Enterprises in 10 industrial parks in Hanoi generated revenue of \$8.1 billion in 2022, up 4.1% year-on-year. Their combined export turnover was estimated at \$5.1 billion, up 4.3%, while they imported goods worth \$4.3 billion, up 4.7%.

4. Da Nang ranks third in economic growth in 2022

Data of the agency show that Da Nang leads the five cities in the central key economic zone both in economic growth and size.

According to General Director of the Department of Statistics Tran Van Vu, thanks to great efforts from the municipal Party Committee, authorities, businesses and people, Da Nang's socio-economic development has been flourishing, and many key economic sectors have recovered quickly and produced breakthroughs.

Solutions to support businesses and social security policies have been implemented effectively, he added.

The city's GDRP rose by 14.05% year-on-year, and 6.34% compared to 2019.

The locality's economic size totaled 125.2 trillion VND (over 5.29 billion USD), increasing over 17.38 trillion VND compared to 2021.

The service area holds the key position in the city's economy with an estimated yearly growth of 17.85%, contributing 13.31 percentage points to the increase in the total value added (VA).

5. 2023 state budget revenue estimate up 0.4%: report

Under the report, recently released by the Ministry of Finance, state budget expenditures would be 2.07 quadrillion VND, a rise of 16.3% as compared with this year's estimate.

Meanwhile, the country's GDP is expected to grow about 6.5% and GDP per capita income would reach some 4,400 USD. The manufacturing and processing sector is set to make up from 25.4 - 25.8% of the national GDP and the consumer price index (CPI)

would increase by around 4.5% in the year. The poverty rate is hoped to reduce 1-1.5%.

The State budget overspending is projected at 455.5 trillion VND, equivalent to 4.42% of the national GDP.

The report also introduces major solutions relating to financial and State budget management in the year, focusing on responding to complicated changes in the domestic and international situation,

maintaining macro-economic stability, controlling inflation and ensuring major economic balances.

perfecting tax management institutions to ensure the accurate and timely collection of taxes and fees.

It mentions consolidating the State budget collection system, and amending, supplementing and

The responsibility of leaders of relevant agencies will be promoted and unnecessary expenditures will be cut, according to the report.

6. MPI to attract investment capital in chip production

The government asked the MPI to prepare the draft policy and submit it to the government in the first quarter of 2023.

states that foreign-invested enterprises are an important component of the Vietnamese economy that should be facilitated for long-term development and healthy cooperation and competition with other economic stakeholders.

The government's assignment was issued after the publication of an article in The Youth newspaper on December 28 which mentioned the shifting of high-tech, foreign-invested enterprises to Vietnam. In the article, experts suggested that the government should continue to offer more incentives relating to tax and land rental.

At present, the construction of semiconductor component manufacturing sites is being accelerated with hopes to offset the shortages around the world. The projects have been invested in by a series of foreign companies, such as Samsung, Hana Micron Vina, and Amkor Technology, among others.

In addition, it is necessary to prepare the technical infrastructure of industrial parks, factories, and modern logistics systems, as well as social infrastructure, to create a favourable living and working environment for investors.

Responding to the opportunity to attract global semiconductor manufacturers, Do Nhat Hoang, director general of the Foreign Investment Agency under the MPI said, "During meetings with foreign investors, we see that many semiconductor manufacturers have plans to invest billions of dollars in Vietnam. Offering tariff incentives is one of the largest competitive advantages we have. The MPI is studying the policy to harmonise global regulations with the particular situation in Vietnam."

In 2019, the Politburo enacted Resolution No.50-NQ/TW which provides the nation's general orientation for completing institutions and policies and improving the quality and efficiency of foreign investment cooperation for this decade.

This is the first thematic resolution issued by the Politburo on foreign direct investment. It clearly

7. Vietnam targets eight million int'l tourists in 2023

The country is expected to earn roughly VND650 trillion in tourism revenue in 2023, the VNAT, under the Ministry of Culture, Sports and Tourism, added.

period, with a vision toward 2045, after it is approved by the Government.

The local tourism industry next year will release the Vietnam tourism zoning plan in the 2021-2030

The industry will also launch Vietnam's tourism marketing strategy by 2030, a project on applying technology to develop smart tourism and promote tourism to become an economic growth driver, and

another project to develop community-based tourism.

In addition, tourism promotion campaigns will be implemented throughout the upcoming year. The local tourism sector will attend international tourism forums and trade fairs in Indonesia, Berlin and London, among others. VNAT will also promote Vietnam tourism on CNN and other global media giants.

VNAT added that it would coordinate with the Vietnam Tourism Association, travel operators and localities nationwide to promote Vietnam's tourism in some key markets, including ASEAN, Australia, Europe and North America.

Besides, the national tourism authority will team up with Binh Thuan Province to host the National

Tourism Year 2023 in this south-central coastal province.

This year, the local tourism industry has gradually got back on track after the Covid-19 pandemic, especially the domestic segment. The country served an estimated 101 million domestic tourists in 2022. Many hubs in the country have enjoyed a busy tourist season and lots of provinces and cities saw a sharp increase in tourist arrivals, VNAT said.

Moreover, more than 3.66 million international travelers have visited Vietnam this year, up 23.3 times against the year-ago figure, according to data from the General Statistics Office.

The total tourism revenue is estimated to be VND495 trillion this year, up 23% versus the full-year target and equal to 66% of the pre-pandemic level in 2019.

Corporate News

8. HVN: Vietnam Airlines increases flight frequency for year-end travel rush

↑ 0.36%

Routes with added flights include HCM City to Ha Noi, Vinh, Thanh Hoa, Dong Hoi, Chu Lai and Thanh Hoa with Da Lat.

A representative of Vietnam Airlines said that the airline has recorded a rapid growth in bookings in the days near Tet holiday. In particular, passengers

are booking flights with earlier departure dates than in previous years.

The national carrier increased flight frequency in August and early December to facilitate travel demand for Tet holiday, providing millions of seats on domestic and international networks.

9. KBC: Receiving the transfer of shares

↑ 1.26%

On December 29, 2022, the BOD of Kinh Bac City Development Holding Corporation approved to receive the transfer of shares of Hung Yen Investment and Development Corporation from Sai Gon Telecommunication & Technology Corporation to raise the ownership ratio of KBC at Hung Yen Investment and Development Corporation. Details are as follows:

- Owning volume before the purchase: 108,000,000 shares, equivalent to 60% charter capital

- Purchase volume: 45,000,000 shares, equivalent to 25% charter capital

- Owning volume after the purchase: 153,000,000 shares, equivalent to 85% charter capital.

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