



VIETNAM DAILY NEWS



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Market Analysis

1. Market on track for weekly fall

Shares reversed course and ended Thursday on a negative note as selling force rose strongly in the last minutes.

The market's benchmark on the Ho Chi Minh Stock Exchange (HoSE) tumbled 14.79 points, or 1.39 per cent, to 1,047.4 points. It erased more than half of Wednesday's gain and set for a weekly loss due to weaker appetite for risk assets after the recent collapses of two American banks.

The breadth of the market was negative with 285 stocks going down, while 50 ticker symbols advanced.

Liquidity also declined. Specifically, a trading value on the southern bourse fell 12.1 per cent over the previous session to more than VND9.4 trillion (US\$399 million), equal to a trading volume of over 532.9 million shares.

The VN30-index, which tracks the 30 biggest stocks on HoSE, also retreated to 1,046.99 points, a decline of 17.39 points, or 1.36 per cent. In the VN30 basket, up to 27 stocks finished lower, two increased and one was flat.

Stronger selling pressure in the last trading minutes weighed on the market.

In the top three stocks dominating the market's downward trend, Vinhomes (VHM) was the biggest loser with a fall of 3.26 per cent in market capitalisation. The other two names were PV Gas

(GAS) and BIDV (BID), down 2.24 per cent and 1.18 per cent, respectively.

Also contributing to the general losses, the market's influencers like Vingroup (VIC), Vietinbank (CTG), Hoa Phat Group (HPG), VPBank (VPB), Vietcombank (VCB), Petrolimex (PLX), HDBank (HDB), Vietnam Rubber Group (GVR), Masan Group (MSN), FPT Corporation (FPT), and Mobile World Investment Corporation (MWG), posted losses of at least 1 per cent.

Cushioning some of the losses, Vincom Retail (VRE) and Sabeco (SAB) led the uptrend with gains of 1.58 per cent and 0.79 per cent, respectively.

On the Ha Noi Stock Exchange (HNX), the HNX-Index also resumed the recent downtrend after jumping 4.46 points on Wednesday.

The northern market's benchmark settled Thursday at 204.19 points, down 2.82 points, or 1.36 per cent.

During the session, nearly 52.7 million shares were traded on HNX, worth VND813.04 billion.

On the other hand, foreign investors continued their long streak of net-buying with a value of VND87.25 billion on both main exchanges. Particularly, they net bought VND89.36 billion on HoSE, while net selling VND2.11 billion on HNX.

Macro & Policies

2. PM urges easier visa policy to boost inbound tourism

The PM requested relevant departments and agencies to revise the immigration procedures for international guests and expand the list of countries eligible for e-visa application.

The Government will create favorable conditions for domestic and international airlines to open direct air links between Vietnam and key tourism markets worldwide.

The Ministry of Culture, Sports, and Tourism has been assigned to restructure the tourism industry, focusing on international markets.

Special attention should be given to foreign markets with spending and long-stay potential.

PM Chinh emphasized that Vietnamese tourism should provide travelers with what they need and strive to persuade them to return to Vietnam multiple times.

He also focused on diversifying tourism markets, products and supply chains and developing affordable tourism options and travel options for high-income groups.

Vietnam will also enhance international cooperation, particularly with multinational corporations and large travel agents, to promote connectivity and attract major international markets.

At the conference, many businesses proposed extending tourist visa validity for international tourists from 90 to 180 days and the length of stay from 30 to 45 days.

Moreover, they suggested allowing multiple entries to give visitors more time to travel, thereby boosting revenue for the tourism industry.

Regarding countries with visa exemptions in Vietnam, businesses proposed extending the maximum length of stay from 15 to 30 or 45 days and allowing multiple entries.

Currently, Vietnam offers a visa waiver to 25 countries and e-visa for citizens of 80 countries.

3. India looks to promote trade, investment cooperation with Da Nang

During a meeting with Secretary of the Party Committee of central Da Nang City Nguyen Van Quang, the diplomat stated that the embassy will serve as a bridge connecting businesses of the two sides.

He said he believes that the two sides will further step up good cooperation relationships, especially in education, people-to-people diplomacy and culture exchange.

The ambassador stressed that he will persuade Vietnamese airlines to soon open more direct flights

from Da Nang to some other Indian localities, saying that this move can open more cooperation opportunities between Da Nang's tourism firms and hotel groups of India.

For his part, Quang briefed the guest on the city's socio-economic development, and the potential for cooperation between the two sides to develop projects.

He said there is great potential and opportunities for Da Nang to cooperate with India but the relations

between Da Nang and Indian localities still remain limited.

The city has not yet established twinning relations with any locality in India, he said, expressing the hope that the ambassador will pay attention to connecting an Indian locality with Da Nang.

He suggested the Indian diplomat act as a bridge to promote investment cooperation in the fields of urban infrastructure, hi-tech industry, information

technology, pharmacy, healthcare, and tourism, affirming that Da Nang will select potential fields with high feasibility to prioritise cooperation with India in the near future.

As of 2022, Indian firms had poured capital into five projects in Da Nang with a total registered investment of about US\$14.7 million. There are three direct air routes connecting India and Da Nang. In the first two months of 2023, Da Nang attracted over 19,000 Indian tourists.

4. Chinese travel firms place trust in Vietnamese market recovery

A representative of Beijing-based BJST Company, a firm that specialises in organising international tours for Chinese citizens, said the business has begun designing advantageous products aimed at seizing upon opportunities of the upcoming May Day holiday on May 1.

The representative revealed that BJST started to tap into the Vietnamese market in 2017, adding that it can bring more than 800 passengers to the nation by air every day during the peak period.

Wu Xing, in charge of BJST's Tourism Operations, said the company has devised plans which seek to boost tourism promotion activities through several channels, noting that it takes at least one month to launch tourism products to the market.

According to data from Ctrip, China's largest online travel platform, between January 8 and March 8, the number of Chinese tourists to Vietnam increased by more than 23 times, while the number of hotel bookings also saw a 22-fold rise against the same period from last year.

Furthermore, statistics from the platform Tongcheng Travel indicate that among the 40 countries in the list of resuming group tours, Chinese tourists remain extremely interested in markets such as Vietnam, Italy, Serbia, France, and Spain.

Xing emphasised that Japan, the Republic of Korea, and other Southeast Asian countries, especially Vietnam, represent the BJST's main markets.

Before the COVID-19 pandemic broke out, the company brought between 80,000 and 100,000 visitors to Vietnam each year, adding that the Vietnamese market accounts for more than 50% of the company's overall tourism operations.

"I strongly believe in the Vietnamese and hope that the Vietnam National Administration of Tourism will exert greater efforts in ramping up tourism promotion activities in China, providing support to tourism businesses and facilitating visas for Chinese tourists such as visa-fee waivers," he said.

According to data compiled by China's Ministry of Culture and Tourism, before the COVID-19 pandemic, 2019 saw Chinese travel agencies bring 62.88 million tourists to foreign markets.

Most notably, Vietnam ranks fourth after Thailand, Japan, and Taiwan (China) in terms of the number of visitors, accounting for 8%.

He emphasised that if Thailand was the country that welcomed the most Chinese tourists in the world before the pandemic, Nha Trang represents a Vietnamese locality which can do the same thing.

"Nha Trang accounts for more than 80% of our tourism products in Vietnam as the city has had many flights all over China," he said, adding that it also boasts a complete chain of hotels, vehicles, services, and shopping malls, whilst the friendliness of local people is also a strong factor luring tourists to the city.

He predicts that Phu Quoc island in the southern province of Kien Giang can also develop into a prime choice of Chinese tourists in the future.

With Thailand being the country that receives the most Chinese tourists, the Tourism Authority of Thailand estimates that there will be about five million Chinese visitors to Thailand this year, or less than 50% compared to 2019.

HSBC experts, however, pointed out that the return rate of Chinese tourists to Vietnamese market is likely to reach 50% to 80% compared to before the pandemic, equivalent to between three million and 4.5 million if the country eases flight restrictions or further relaxes visa requirements in the time ahead.

5. EU and US businesses keen to invest in Vietnam

A recent survey conducted by the European Chamber of Commerce in Vietnam (EuroCham) for more than 1,300 EU firms indicates that 41% of the respondents planned to move their production facilities to the country, up 30% compared to data compiled during the previous survey.

Furthermore, approximately 35% of the respondents named Vietnam among the top five most attractive investment destinations.

Meanwhile, John Rockhold, chairman of the American Chamber of Commerce in Vietnam (AmCham Vietnam), revealed that investors from US also intend to pour a huge amount of capital into the country's green energy, logistics, and infrastructure sectors.

Explaining the growing trend, the Vietnam Association of Foreign Invested Enterprises (VAFIE) pointed to the fact that Vietnam effectively shifted to the implementation of the circular economy model in a number of industries throughout the 2021 - 2022 period.

Indeed, economic zones have gradually turned into ecological economic areas with a number of ecological urban industrial zones taking shape, a factor that has attracted the world's large corporations to invest in high-tech products such as Samsung, LG, Intel, and Toyota.

Professor Nguyen Mai, chairman of the VAFIE, emphasised that among ASEAN member states, Vietnam can be considered as a rising star in the global supply chain, as it makes up a significant market share in multiple fields, including garments and textiles, footwear, and consumer electronics.

Vietnam has also emerged as a manufacturing hub for electronic products as part of the global supply chain. Its electronics exports hit a record high of US\$100 billion in 2021, representing about one third of its total export value.

According to the 2022 annual report detailing foreign investment in the country, there remains a number of hurdles faced by foreign investors, including cumbersome administrative procedures and visa policy for foreigners.

The report outlines that although 68.5% of the FDI firms rated Vietnam as being more favourable in terms of investment location, labour costs and quality, taxes, the Government's capability to respond to emergencies compared to other countries, the quality of infrastructure, and public service delivery in the country must be improved moving forward.

6. FDI sector's foreign trade down in Jan-Feb

Recent data of the General Department of Vietnam Customs showed that the country saw foreign trade dropping 13.4% to US\$95.83 billion in January-February.

Imports and exports of FDI businesses in the two-month period totaled US\$68.2 billion, down 11.8% while the respective figures of local enterprises were US\$27.62 billion and 17.1%.

In February alone, FDI enterprises reported export revenue of US\$9.23 billion, declining US\$914 billion against the previous month.

Total exports of the FDI sector in January-February amounted to US\$37.34 billion, a 7.3% drop over the same period of last year. The sector's import spending decreased by 16.8% to US\$30.87 billion.

According to the Ministry of Industry and Trade, two major export markets of Vietnam, the U.S. and the EU, achieved economic growth of under 1%, thus affecting their demand for imports.

The Ministry of Industry and Trade is taking measures for boosting market and product diversification to reduce reliance on some markets and products. A focus will be given to Northern Europe, Eastern Europe and Latin America.

7. Opportunities for Vietnamese goods in foreign supermarkets

The awareness of the business community, ministries, branches and localities about the role of foreign distribution channels has deepened, said Linh.

Foreign distribution channels have been increasingly appreciated and considered an effective export and promotion channel for products and brands, he said.

With more than 60 deals in countries around the world, the Ministry of Industry and Trade will continue to support ministries, branches and localities in advising and providing strategic guidance on market access, as well as informing and connecting Vietnamese businesses with foreign purchasing and distribution systems.

However, in order to export more, Linh said that localities needed to promote their role, focusing more on supporting products with strengths, and selecting some really potential markets and a few leading enterprises to act as a driving force for the industry to penetrate deeper into the foreign distribution system.

Exporting goods through overseas distribution systems was strongly deployed last year.

Through large distribution channels, Vietnamese goods, especially agricultural products, have been on the shelves of large supermarkets in France, Australia, Japan, and Thailand.

The goods on display are all famous agricultural products of Viet Nam such as lychee, dragon fruit, banana, and fish sauce and strictly comply with regulations on quality.

Shiotani, General Director of AEON Viet Nam told An Ninh Thu Do (Capital Security) newspaper that in the past, AEON mainly imported fresh bananas from the Philippines, which made up 70 per cent of its import volume, for the distribution system of the group.

AEON started importing bananas from Viet Nam from last year and its consumers commented that Vietnamese bananas tasted better than other countries, said the director.

The representative of AEON also said that besides the reasons of quality and price, Vietnamese banana production companies for export had a circular production model.

In addition to planting bananas, they have a model of aquaculture and cattle breeding and fertiliser for banana trees.

With this closed model, the amount of waste was almost zero, he said.

“In the past, when it comes to imported goods, we focused on price, quality and supply chain. But now and in the future, supplier selection criteria of us and the whole world has changed. It is whether the supplier can build a sustainable production model or not,” said Shiotani.

Corporate News

8. PC1: Contributing capital to establish a subsidiary

↓ -1.42%

The Board resolution dated March 15, 2023, the BOD of Power Construction Joint Stock Company No 1 approved the capital contribution to establish

Hai Phong Industrial Park Joint Stock Company (HPIP) with the charter capital to VND19,800,000,000, equivalent to 1,980,000 shares, accounting for 99% charter capital of HPIP.

9. PHR: BOD resolution dated March 14, 2023

↓ -1.49%

Based on the meeting minutes dated March 14, 2023, the BOD of Phuoc Hoa Rubber Joint Stock Company approved the following contents:

1) Approved the report on:

a) The business result of the holding company in 2022:

- Revenue: 2,178.09 billion dongs
- Profit before tax: 921.42 billion dongs
- Profit after tax: 767.10 billion dongs

b) The consolidated business result in 2022:

- Revenue: 2,604.72 billion dongs

- Profit before tax: 1,127.21 billion dongs

- Profit after tax: 925.73 billion dongs

2) Approved the report on the business plan in 2023 for the holding company:

- Revenue: 1,813.44 billion dongs

- Profit before tax: 549.14 billion dongs

- Profit after tax: 487.65 billion dongs

- Cash dividend payment: 30%

3) Approved the business plans of subsidiaries in 2023.

4) Approved the reports of the BOD and Supervisory Board activities.

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