



VIETNAM DAILY NEWS



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Market Analysis

1. Shares climb for third straight session

On the Ho Chi Minh Stock Exchange, the VN-Index rose 1.09 per cent to close at 1,049.18 points.

Market breadth was positive with 256 rising stocks and 123 losing ones.

Nearly 510.3 million shares worth VND8.5 trillion (US\$358.3 million) were traded on HCM City's bourse.

The market reacted positively to the news that the Fubon ETF fund had raised more capital and was about to be disbursed into the Vietnamese market, said Bao Viet Securities Co (BVSC).

Cash flow focused on Banking, Securities, and Metals, spreading to the rest of the industry groups, it said.

For investors with a high proportion of stocks, they can consider selling and restructuring their portfolio when the market rises in the next sessions, it said.

Investors still need to be cautious, observe supply and demand movements and avoid chasing buys. In addition, it is recommended to maintain the portfolio weight at a reasonable level and take advantage of the market's recovery to structure

the portfolio in the direction of minimising risk, said Viet Dragon Securities Co.

Most of the major groups gained but some groups cooled down at the end of the session. Notably, there was a good increase in some large-cap stocks thanks to the main contribution from Steel, Consumer Goods, Energy and Banking groups. Real estate cooled down significantly compared to the positive movement from the previous session, said Viet Dragon Securities Co.

The VN-30 Index, tracking the 30 biggest stocks on HoSE, gained 1.31 per cent to close at 1,040,59 points.

In the VN-30 basket, 27 stocks gained while three lost ground. The biggest gainers included the Vietnam Rubber Group (GVR), Hoa Phat Group (HPG), SSI Securities Inc (SSI), HD Bank (HDB) and Vinhomes (VHM).

Energy stocks also performed positively with gainers such as PetroVietnam Technical Services Corporation (PVS), PetroVietnam Drilling and Well Services Corporation (PVD), and Drilling Mud Joint Stock Corporation (PVC).

On the Ha Noi Stock Exchange, the HNX-Index rose 0.57 per cent to end at 208.68 points.

Macro & Policies

2. Aquaculture output grows 1.3% in two months

In February alone, the output stood at an estimated 593,400 tonnes, up 2.5% compared to the same period last year.

The ministry suggested localities nationwide to link the restructuring of the fisheries sector with the re-organisation of production in accordance with the value chain in order to reduce production costs, and

improve productivity, quality, efficiency and competitiveness of Vietnamese aquatic products.

It is also necessary to modernise management, step up the application of science and technology in aquaculture, and restructure the fishery industry in association with protecting aquatic resources and the environment, the ministry said.

3. HCM City's export processing zones, industrial parks moving to become greener

A large wave of the movement to other localities is underway among businesses in HCM City, especially those in labour-intensive sectors with low technologies and high risk of causing environmental pollution.

Nguyen Van Khanh, Vice Chairman of the Shoes and Leather Association of Ho Chi Minh City (SLA), said that many businesses in the shoes and leather sector are moving to the countryside of neighbouring localities such as Tra Vinh, An Giang and Kien Giang. Firms staying at IPs are mainly foreign ones, he added.

The movement trend of enterprises is prompting export processing zones and IPs to change themselves.

With the support of the United Nations Industrial Development Organisation (UNIDO), Hiep Phuoc IP has been applying the "industrial symbiosis" concept in its operations, turning waste released from businesses into input materials for others.

Meanwhile, the number of labour-intensive businesses in Tan Thuan IP has decreased to 50% of total 240 firms it is hosting, which is continue to fall.

Currently, HCM City is building a project on developing export processing zones and IPs in the 2025-2030 period with a vision to 2045, which underlined the need for a suitable roadmap to

transform the export processing zones and IPs following more effective models.

The city is also working on the mechanism and roadmap as well as a set of criteria for the transformation process of local export processing zones and IPs, which will be inform to businesses and investors soon.

Hua Quoc Hung, head of the HCM City Export Processing and Industrial Zones Authority (HEPZA), said that the HEPZA is seeking measures to encourage businesses that are using backward technologies to upgrade their technologies or move out.

He revealed that in March, the authority will release an official information on the city's policy for the zones.

Under the city's planning, HCM City has 23 concentrated export processing zones and IPs covering nearly 6,000 hectares. So far, 19 have been built and 17 have been put into operations with an occupation ratio of about 80%.

Local export processing zones and IPs have attracted 1,665 projects with total capital of 12.5 billion USD. Each year, business in export processing zones and IPs posted an export revenue of about 8 billion USD, accounting for about 21% of the city's total export turnover excluding crude oil.

4. Foodex Japan 2023 pushes Vietnamese products to conquer Japanese market

According to data from the Ministry of Agriculture and Rural Development, the total export value of agriculture, forestry, and fisheries products in February surpassed \$3.4 billion, an increase of 18.1 per cent compared to the previous month and up 5.7 per cent on-year.

In the first two months of 2023, total export and import value is estimated to reach \$11.99 billion, of which exports account for around \$6.28 billion. After China and the US, Japan ranks third among the largest markets for Vietnamese agriculture, forestry, and fisheries products, with an export value touching \$563 million or 9 per cent.

According to the Vietnam Trade Office in Japan, Japanese people have seen changes in consumer tastes, making them increasingly interested in high-quality imported products.

This presents a significant demand for imported agricultural and food products. With their diverse range of offerings, those from Vietnam are gaining popularity and are now commonly found on the shelves of major supermarkets such as AEON, Donkihote, and Itoyokado in Japan.

In this context, Vietnamese enterprises have been taking advantage of opportunities to promote their products and seek cooperation in Japan, such as participating in Foodex Japan 2023.

The exhibition has created particular interest in the food and beverages (F&B) business community and is considered a gateway to bolster exports to the Japanese market and other Asian countries. It draws the participation of nearly 1,500 exhibitors from 44 countries and territories, 77 per cent of whom come from countries outside of Japan.

In 2022, Foodex Japan attracted nearly 33,800 visitors from 98 countries around the world, of whom nearly 11,000 were international visitors – mostly wholesalers, retailers, food service providers, and F&B manufacturers.

In contrast to last year's event, where only five businesses showcased 10 booths in the Vietnamese exhibition area, this year's Foodex Japan saw the participation of 39 Vietnamese enterprises, including many prominent names in the agriculture

and food industry, such as the PAN Group and Vinamilk,

The items on display included agricultural products, fresh, processed, and canned vegetables and fruits, processed seafood products, nutrient-rich and cereal-based foods, alcoholic and non-alcoholic beverages, and confectionery.

As a result, the booths of Vietnamese enterprises not only impressed visitors with a significantly larger scale compared to the previous year, but also with unique and distinctively Vietnamese displays.

Despite consistently ranking among the top countries in global agricultural exports, the impression of many international customers regarding Vietnamese products remains that of raw agricultural products.

Nguyen Thi Tra My, CEO of The PAN Group, explained that participating in major exhibitions such as Foodex Japan is not only an opportunity to expand markets and promote products, but also for leading businesses to help reposition Vietnamese agricultural and food products in the international market.

“In the past, the world viewed us as a country with a large agricultural output, but it was not highly regarded for quality. We want to demonstrate that well processed agricultural products and foods, with the Vietnamese brand, can confidently stand alongside the products of any country in the world market,” noted Tra My.

In fact, member units belonging to PAN Group are familiar with the trade fair, but this is the first time PAN has participated on a company-wide scale with typical products from all three categories of agriculture, aquaculture, and packaged food.

“We have been working with many suppliers from Vietnam for almost 15 years. The nation's products fully meet the Japanese market's requirements,” said Shin Yamanaga, CEO of Vietlink LLC.

“For example, after the pandemic, we urgently needed frozen products due to the labour shortage in the restaurant and hotel system in Tokyo. Only

suppliers from Vietnam could meet our very detailed requirements."

"Today I met Khang An Foods – our regular supplier of frozen aqua-products and mixed vegetables – and found it very interesting to see them in a larger group with other member companies from PAN Group. Obviously, you have seen great potential from the Japanese market and are doing very well," Yamanaga continued.

One supportive factor for Vietnamese agricultural and food products in Japan is the 10 million Asian

residents, including a rapidly growing number of Vietnamese nationals.

As a result, imported agricultural and seafood products, as well as other food items, from Vietnam have gained widespread recognition among Japanese consumers and secured inspiring sales figures. These are bright signs showcasing the significant potential that Vietnamese agricultural and seafood products have for export development in Japan.

5. Gift market gets International Women's Day boost

Traditionally, fresh flowers are among the top gifts on the occasion.

Shops at the Ho Thi Ky Flower Market in District 10 are selling a wide range of locally grown orchids, lilies, roses, sunflowers, carnations, and other flowers and imports from Ecuador, the Netherlands, South Africa, and elsewhere such as roses, hippeastrums and allium globemasters to offer customers more choices.

Chi Dien, a shop owner there, said customers could choose bouquets at prices ranging from a few thousand to millions of dong.

Others said sales had increased sharply in recent days as had prices, and would increase further on Wednesday.

Flower shops in Districts 3, 5 and 10 are also selling bouquets besides fruits such as strawberries and cherries that cost from VND600,000 (US\$25.4) to over VND2 million (\$84.8).

Fashion and cosmetics shops on Nguyen Trai, Hai Ba Trung and Nguyen Dinh Chieu and Le Van Sy streets are decked out in promotion banners.

Tailor shops have been offering discounts of up to 50 per cent on clothes and stitching a traditional long dress.

Supermarkets have introduced a wide range of products for International Women's Day and are offering promotions to attract buyers.

Saigon Co.op is offering discounts of up to 40 per cent on more than 830 beauty products such as lipstick, skin care cream, body lotion, shampoo, and clothes at its Co.opmart, Co.opXtra, Co.op Food, Co.op Smile, Cheers, Finelife, and Co.oponline.

Women members shopping at Co.opmart and Co.opXtra on March 8 will get up to 300 reward points depending on bill value.

Besides the system-wide programme, each of Saigon Co.op's retail brands have their own.

Another supermarket chain, WinMart, is also offering attractive promotions on many cosmetic and personal care products under its "Nhan sac thang hang - Ron rang san sale" promotion week.

E-commerce platforms, commercial banks, travel companies, restaurants, and others have also rolled out promotion programmes for women customers.

Sacombank has launched a promotional programme worth VND6 billion (\$253,040) for women with thousands of gifts in cash and vouchers for dining, fashion and beauty services, and other privileges between March 1 and 8.

Women applying for a Visa credit card will get the issuance, cash withdrawal and annual fees waived. Transactions of VND1 million in the first month using the card will get them a refund of VND500,000.

At Viet Capital Bank, women customers making a savings deposit of VND10 million or more for six to 15 months will get an extra 0.38 percentage point.

Those opening a current account from March 6 to 10 can get their preferred account number for free.

6. Viet Nam and Japan to strengthen ties on 50th anniversary of diplomatic relations

PM Chinh made the remarks at a high-level economic seminar on Tuesday on the 50th anniversary of Viet Nam-Japan diplomatic relations.

The PM said over the course of 50 years, Japan had positioned itself as Viet Nam's largest donor of Official Development Assistance, disbursing nearly 3 trillion yen (US\$22 billion). Of which, 2.7 trillion comes as loans, 100 billion as aid, and 180 billion as financial support to cement technological cooperation.

The assistance has proved to be highly effective in fostering large-scale projects in the country, giving a big push to economic growth. More Japanese assistance has been called in to help Vietnamese strategic infrastructure maintain its momentum.

Regarding investment, Japan is the third-largest investor in Viet Nam, with over 5,000 active projects to date, amounting to an aggregate capital of nearly \$70 billion. On the other hand, Vietnamese enterprises have initiated 104 projects in Japan with a total capital of approximately \$20 million.

Commerce is the next sector in high gear. Accumulated bilateral trade hit about \$50 billion by late 2022, with Japan being Viet Nam's fourth-largest trade partner. More importantly, the trade pattern is balanced as Viet Nam exports around \$25 billion to and imports \$24 billion from Japan.

The PM also highlighted the role of the Viet Nam-Japan Joint Initiative (VJJI) in improving Viet Nam's investment climate and consolidating its competitive advantages over other countries in the region.

He called on Japanese enterprises to push ahead with education and training, technology transfer, and knowledge-sharing to help Viet Nam lie squarely at the centre of the global supply chains.

"Vietnamese Government always looks on Japanese investors with favour and will do everything necessary to help them settle profitably in the country", said Chinh.

"The two economies are mutually supplementary and still have ample room for cooperation, especially in digital transition, supply chain diversification, and green growth," the PM said.

Ichikawa Hideo, co-chairman of the Vietnam-Japan Economic Committee, metaphorically described Viet Nam as a gateway of Asia to the world because of its geographical position and population of nearly 100 million.

For Japanese enterprises, Viet Nam had become a magnet for investment. Over 2,000 Japanese investors had an operational presence in the country with an aggregate accumulated investment of more than \$65 billion.

The chairman also mentioned VJJI, which came into existence in 2003. He said the 20-year-old initiative had born fruit by helping Viet Nam move ahead with its institutional reform and infrastructure development.

"The initiative has already had a positive impact on the Vietnamese investment environment, facilitating foreign capital flows into the country", said Hideo.

He also asserted that his committee would spare no effort to take a more active role in the initiative to bring the bilateral relations to a new height.

Nguyen Chi Dung, Minister of Planning and Investment, opined that VJJI was a dialogue channel instrumental in improving the Vietnamese investment environment.

He called on Japanese enterprises to assist Viet Nam in its path toward digital transition and circular economy, which are a prerequisite for its goal of becoming an upper-middle income country by 2030.

He also suggested a programme to strengthen the ties between Vietnamese small- and medium-sized enterprises (SMEs) and Japanese counterparts in several fields, including digital transition and component industry.

"Vietnamese SMEs have the labour whereas Japanese ones have technologies and know-how. They are mutually supplementary", said Dung.

7. Ministry plans to increase environmental protection tax on non-biodegradable packaging

The proposal was included in the draft report by the Ministry of Justice about the law-making programme of the 15th National Assembly.

Accordingly, besides plastic bags which were already subject to the environmental protection tax, styrofoam boxes used for packaging food would be added as subject to this tax under the common name of "non-biodegradable packaging materials".

The tax rate would also be increased to be equivalent to the rates of countries around the world, aiming to limit the use of plastic bags and styrofoam boxes.

The ministry pointed out that many countries in the world imposed high environmental protection tax on plastic bags and even banned the production, sale and use of plastic bags.

For example, the tax was 5 cents (VND1,000) per bag in the US, 22 cents (VND6,600) in Ireland, and 50 cents (VND1,500) in Hong Kong. Estonia planned to impose a tax on plastic bags at 2 kroons (VND3,000) per bag.

China banned the use of plastic bags with a thickness of below 0.025 mm, India banned the use of plastic bags with a thickness of below 50 microns, and Taiwan banned plastic bags with thickness of below 0.06 mm. The US banned the use of plastic bags in most states while Malaysia banned them in some regions and imposed a tax of 20 cents (VND1,040) per bag.

Viet Nam was one of the countries using the most plastic bags, with an average of 1kg per month per household, according to the ministry.

In two major cities, Ha Noi and HCM City, about 80 million tonnes of plastic products and plastic bags were dumped into the environment every day, most of which are non-biodegradable.

Like other countries, Viet Nam used environmental protection tax as one of the most important tools to reduce the use of plastic bags with a rate of VND50,000 per kg, which remained low compared to other countries.

In addition, the collection of environmental protection tax on plastic bags remained modest.

With such huge consumption of plastic bags, Viet Nam should have been collecting dozens of trillions of dong in environmental protection tax on plastic bags but in fact, the country could collect only around VND70 billion per year – this was too small to change the production and consumption habits towards this product.

"Expanding tax base and increasing environmental protection tax are necessary to prevent white pollution," the ministry said, adding that the increase must be put into careful consideration.

According to Tran Hong Tinh from Ha Noi Bar Association, policymakers should consider imposing a tax based on the number of plastic bags and boxes rather than on volume.

This would prevent the production and use of thin plastic bags.

“As costs rise, retailers are forced to seriously consider how many free bags they give out to their customers or ask consumers to share the cost. Only in this way, can we hope to change the habit of using plastic bags and boxes which is causing serious environmental impacts,” Tinh said.

According to a study by the University of Science, Viet Nam National University, Ha Noi, around 2.5 million tonnes of plastics and plastic bags were discarded in Viet Nam in 2020, most of which were styrofoam boxes, plastic bags and straws. Notably, only 10 per cent was recycled and reused.

The COVID-19 pandemic caused a spike in plastic waste in recent years along with the boom of e-commerce and food delivery services.

Nguyen Huy Nga, Director of the Centre for Health Environment Research and Development, said that to reduce plastic waste and pollution, each person must be conscious of not using single-use plastic products.

Kim Thuy Ngoc from the Institute of Strategy and Policy on Natural Resources and Environment, said that raising taxes on plastic bags and single-use plastic products should be put into consideration to reduce consumption, increase awareness of consumers and change the habit of using plastic bags.

Under the project of enhancing management of plastic waste in Viet Nam, Viet Nam targeted to use 100 per cent environmentally-friendly bags at supermarkets and shopping centres to replace non-biodegradable bags by 2025.

Decree No 08/ND-CP detailing some points of the Law on Environment Protection regulated that Viet Nam would not use and import non-biodegradable bags with dimensions of below 50cm and 50cm and thickness of below 50 microns from 2026. Shopping centres, supermarkets, hotels and tourism areas would not use single-use plastic products and plastic bags and styrofoam boxes.

The country would stop the production and use of single-use plastic products and non-biodegradable packaging from 2030.

Corporate News

8. VNM: Vinamilk and Sojitz kick off Vinabeef Tam Dao

↑ 0.92%

On the occasion of the 50th anniversary of diplomatic relations between Vietnam and Japan, the Vinabeef cattle breeding and beef processing complex has broken ground in Tam Dao with an investment totalling VND3 trillion (\$140 million). The project has been funded through contributions from Vinamilk, its subsidiary Vilico, and Japanese investor Sojitz Corporation.

This is the first-ever cattle breeding and beef processing project in Vietnam, marking the cooperation of Vietnamese and Japanese companies in the high-tech agriculture industry. The MoU was signed at the end of 2021.

The project is located on an area of 75.6 hectares in Tam Dao district, Vinh Phuc province. The complex's two primary subdivisions are the cattle farm, which can house up to 10,000 cattle, and the refrigerated beef processing factory, expected to be in operation by 2024.

Masayoshi Fujimoto, president of Sojitz Corporation, said that this is a potentially major project in Vietnam for the corporation for at least the next five to ten years.

"According to an analysis of the beef industry in Vietnam, there is still a significant amount of untapped potential, as the demand for and consumption of high-quality meat products remains at a very high level. As the project is put into operation, we anticipate that it could usher in a new period of prosperity in the market," said Fujimoto. "In addition, Vinamilk and Vilico are large, well-known partners that have capabilities in the areas of resources, experience in the livestock business, operational expertise, and understanding of the market. When it comes to bringing the Vinabeef Tam Dao complex online, as well as upcoming projects in the future, we will make excellent partners because of how well we complement and assist one another."

The uniqueness of the Vinabeef Tam Dao complex lies in the fact that it is intended to be developed and operated using a closed 4-in-1 process, which includes livestock, production, processing, and distribution. By doing so, it will supply Vietnamese consumers with fresh chilled beef that is guaranteed safe for consumption.

Vinabeef's beef products will be processed in an ultra-clean environment on a closed, highly automated manufacturing line that can handle 10,000 tonnes of beef per year, utilising cutting-edge technology to ensure food safety standards are met. The distribution process will remain tightly managed, as is necessary to fulfill the criteria of the chilled supply chain, and full product traceability will be maintained to guarantee the highest standards of quality and safety from farm to table.

While discussing Vinabeef's development orientation, Mai Kieu Lien, general director of Vinamilk and chairwoman of Vilico said, "We expect this to be a prototypical case of collaboration between Vietnamese and Japanese businesses in high-tech agriculture, focussing on long-term sustainable development. This way, we can work towards our goal of making Vinabeef a household name in Vietnam, not just as a trusted brand in the beef industry, but as a provider of high-quality foods for both domestic consumption and international export."

9. VRE: Explanation for 2022 consolidated financial statements

↑ 2.44%

Vincom Retail Joint Stock Company has explained the movements of 2022 consolidated financial statements compared to the same period of last year as follows:

Unit: VND million

No.	Item	2022	2021	Difference	%
10	Net sales	7,361,437	5,891,141	1,470,296	25%
21	Financial income	538,573	387,018	151,555	39%
22	Financial expenses	359,155	486,280	(127,125)	-26%
25	Selling expenses	171,973	201,764	(29,791)	-15%
26	General & administrative expenses	371,266	433,167	(61,901)	-14%
50	Profit before tax	3,524,490	1,692,277	1,832,213	108%
60	Profit after tax	2,777,128	1,315,013	1,462,115	111%

The explanation for the movements of 10% or more:

- Net sales in 2022 increased by VND1.470 billion: (i) the revenue from real estate for rent and related services provision increased by VND2.164 billion mainly due to the good recovery of the retail industry after the epidemic was controlled and the opening of 3 shopping centers in Quarter 2/2022; (ii) The revenue from real estate transfer decreased by VND623 billion.
- Financial income increased by VND151.6 billion mainly due to the increase in the gain from investment activities.
- Financial expenses decreased by VND127 billion due to the decrease in the payment of VND2.600 billion bonds in 2021.
- Selling expenses decreased by VND30 billion mainly due to the decrease in the commission costs of real estate projects.
- General & administrative expenses decreased by VND62 billion mainly due to the decrease in provision for bad debts.
- Profit after tax increased by VND1,462 billion compared to the last year mainly due to the reasons above.

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