



# VIETNAM DAILY NEWS

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## Market Analysis

### 1. Shares rebound on bargain-hunting

The stock market finished higher Thursday, boosted by bargain-hunting force seen in large-cap stocks.

The VN-Index on the Ho Chi Minh Stock Exchange (HoSE) closed the trading day at 1,068.31 points, an increase of 0.74 per cent.

The market's breadth returned to positive territory with more stocks recovering. Specifically, 205 ticker symbols on HoSE added points, while 162 dropped lower.

Liquidity also improved, with trading value on the southern bourse reaching VND11.7 trillion (US\$499 million), equal to a trading volume of nearly 649.5 million shares.

The index's reversal was mainly driven by gains in some large-cap stocks as recent sharp falls stimulated some investors to increase stock proportions in their portfolios.

The VN30-Index, which tracks the 30 biggest stocks on HoSE also rose higher, up 0.82 per cent, to 1,070.76 points.

In the VN30 basket, 20 stocks advanced while seven stocks declined and three ended flat.

Statistics from finance website vietstock.vn showed that Vietcombank (VCB) and Vietnam International Bank (VIB) recorded the best performance yesterday and led the bullish trend. The banks' shares soared 2.4 and 3.1 per cent, respectively.

Other pillar stocks supporting the uptrend were Vietinbank (CTG), Tien Phong Bank (TPB), VPBank (VPB), FPT Corporation (FPT), Vinhomes (VHM), Hoa Phat Group (HPG), MBBank (MBB) and Masan Group (MSN).

Securities stocks like SSI Securities Corporation (SSI), VNDirect Securities Corporation (VND), Saigon-Hanoi Securities JSC (SHS), Viet Capital Incorporation (VCI), Agribank Securities Corporation (AGR), and APG Securities Joint Stock Company (APG) all attracted cash flow and bolstered the market.

Capping the recovery, persistent sell-off pressure still weighed on some blue-chip stocks, such as HDBank (HDB) losing 1 per cent, Mobile World Group (MWG) dropping 0.1 per cent, Phat Dat Real Estate (PDR) falling 1.5 per cent, and Sabeco (SAB) losing 0.1 per cent.

"Investors need to observe supply and demand movements at the support area, and may consider holding or exploiting short-term opportunities in stocks with good technical signals and attracting cash flow recently," said Viet Dragon Securities Co.

On the Ha Noi Stock Exchange (HNX), the HNX-Index rose 0.07 per cent, to end at 213.01 points.

During the trading session, nearly VND1.4 trillion worth of shares, equal to nearly 105 million shares, was traded on the northern market.

## Macro & Policies

### 2. Neighbouring groups make up for lost time

On May 4, Goertek Corporation organised the groundbreaking ceremony for a 62-hectare factory at Nam Son-Hap Linh Industrial Park in the northern province of Bac Ninh.

With investment of \$300 million, the factory will specialise in producing consumer electronic products, communication equipment, and optical equipment and instruments. The factory is expected to go into operation in April 2024.

It is the third Goertek factory in 10 years of investing in Vietnam. To date, the group has poured over \$600 million into the country and become one of three major suppliers for Apple in Vietnam.

Jiang Long, chairman of the Board of Directors of Goertek Corporation, said he appreciated the investment environment of the province as well as the support policies and coordination of the local government, which has strengthened confidence. This was the basis for Goertek Corporation to build its third factory in Nam Son-Hap Linh IP.

“The group committed to developing Goertek Vina to become the corporation’s technology centre, localise the labour resources, and increase the Vietnamese labour rate to undertake great responsibilities, complete the goals set by the corporation, and contribute to the overall development of the business as well as Bac Ninh,” he said.

On the same day, Foxconn started construction of a 50-ha factory in Quang Chau IP. Foxconn Group plans to invest more than \$300 million in this new project and employ over 30,000 local workers.

In Quang Chau, Foxconn is the largest foreign-invested group, with projects first established in 2019. Currently, the group’s total leased land area is up to 70ha and the total registered capital is \$773 million. Its member companies, Fuhong, Fuyu, and Fukang, have also poured million-dollar investments into Quang Chau IP.

According to the Foreign Investment Agency under the Ministry of Planning and Investment, in the first four months of this year, China was the third-largest foreign investor in the country with a total registered capital of \$751.64 million, followed by the territories of Taiwan with \$594.48 million and Hong Kong with \$585.54 million, signifying an increase of 70, 136.5, and 98.3 per cent on-year. In 2022, China contributed \$2.51 billion to the total foreign investment capital inflow to Vietnam, ranking it fourth, followed by Hong Kong with \$2.22 billion and Taiwan with \$1.35 billion.

Vietnam has enjoyed increasing investment from China since its neighbour abruptly ditched its strict pandemic strategy. “Enquiries from Chinese firms about manufacturing investment in Vietnam grew exponentially from the last quarter of 2022,” said Michael Chan, senior leasing director at BW Industrial Development.

Within the first four months of 2023, China invested in 117 new projects in Vietnam, the highest number from a single country.

Chan forecast that in 2023, the average investment in projects will be \$5.5 million. Meanwhile, in the long term, the average capital could reach \$6.5 million. With big-name players already in Vietnam, attracted by its free trade agreements and proximity to China, the companies comprising the current wave of investors are mostly smaller suppliers to those larger firms.

Wang Chuanfu, chairman of Chinese manufacturing conglomerate BYD, said that after operating an electronic manufacturing factory in the northern province of Phu Tho, it would expand investment into electric car production and assembly with the best technology to supply the Vietnamese market and export to Southeast Asia.

“To realise the target, the group hopes the government and authorities will create better conditions to complete procedures. BYD will establish a chain of supporting industrial enterprises for e-vehicles,” said Chuanfu at a

meeting with Deputy Prime Minister Pham Hong Ha on May 5.

This month, BYD Electronics will start construction of its expanded plant in Phu Tho. Located in Phu Ha

IP, the plant will cost \$183.7 million, including lines for manufacturing electronic components as well as graphics boards. There will also be a \$5.5 million line manufacturing batteries for tablets and mobile phones.

### 3. Strategic investors' engagement helps promote Vietnam's tourism growth

Boasting 3,260km of coastline with about 400 beaches and thousands of natural landscapes and relic sites across the country, Vietnam is an ideal place for strategic investors such as SunGroup, Vingroup, FLC and VinaCapital.

Many modern hotel chains meeting international standards have been built, mostly in popular tourist attractions in Hanoi, Da Nang, Nha Trang, Phu Quoc, Ho Chi Minh City and Ha Long.

Meanwhile, many reputable international brands such as Accor, Marriott, Hyatte, IHG, Four Seasons, and Archipelago have marked their presence in Vietnam, contributing to enhancing the governance capacity and tourism service quality of the country.

According to Dr. Phan Huu Thang, former Director of the Foreign Investment Agency under the Ministry of Planning and Investment, foreign direct investment (FDI) in tourism and resort real estate has been helpful for Vietnam right from the first years of opening and integration, with the development of a system of high-end resorts and hotels.

In the recent 20 years, investment in tourism accommodation has boomed. According to the Vietnam National Administration of Tourism (VNAT), the number of accommodations in Vietnam increased from 12,500 facilities in 2010 to 33,330 in 2022, with 667,000 rooms. As of the end of 2022, Vietnam had 215 five-star hotels with 72,000 rooms, and 334 four-star hotels with 45,000 rooms.

Statistics from the Vietnam Real Estate Association (VNREA), the country is home to 239 tourism real estate projects with a total value of 681.8 trillion VND, or about 30 billion USD.

Su Ngoc Khuong, Senior Director of Savills Vietnam, said that despite impacts of the COVID-19 pandemic, the tourism real estate in Vietnam is still an attractive segment for investor, where they can find previous opportunities to join the Vietnamese market.

In reality, amid difficult situation of the real estate sector, foreign investors, especially those from the Republic of Korea, Japan, Singapore, and Hong Kong (China), have still shown great attention to resort real estate, especially in the south central coastal region. Many big names such as Mandarin Oriental, JW Marriott, M Gallery, Le Meridien, Wink Hotels and The Ascott Limited are likely to launch their projects in the region.

According to CBRE, Da Nang drew additional 10 projects as of the end of 2022. Binh Thuan expects about more than 5,000 vacation villas by 2025, while Phu Yen will provide more 72 villas and hotel rooms to the market by 2026. Experts held that in 2024, the accommodation occupation rate will recover to the pre-pandemic level of 63%.

According to Ha Van Sieu, Vice Director of the Vietnam National Administration of Tourism (VNAT), this year, the tourism sector aims to serve about 8 million foreign visitors and 102 million domestic tourists, earning about 650 trillion VND (27.71 billion USD).

The sector plans to announce the Vietnam tourism planning for the 2021-2030 period with a vision to 2025 right after it is approved. It has implemented a marketing strategy until 2030, along with a project to strengthen the application of new technologies in developing smart tourism and turning tourism into a spearhead economic sector of the country. A community-based tourism project is also underway, said Sieu.

#### 4. FDI sector posts over 14 billion USD in four-month trade surplus

Trade turnover totalled 206.76 billion USD during January - April, down 15.3% year on year, with those of FDI and domestic businesses at 144.02 billion USD and 62.74 billion USD, respectively dropping 15.1% and 15.8%, according to the General Department of Vietnam Customs.

The slow global economic recovery and tightened monetary policies in many countries have lowered the consumption demand in some major partners of Vietnam, leading to decreases of orders and a 13% fall in the four-month export revenue.

However, the FDI sector still recorded a trade surplus of 14.18 billion USD as a result of 79.1 billion USD in exports, down 12.4%, and 64.92 billion USD in imports, down 18.3%. Meanwhile, the domestic one saw a trade deficit of 8 billion USD.

In 2022, Vietnam shipped abroad 371.5 billion USD worth of goods, including 275.9 billion USD (or 74%) by FDI firms, statistics show.

The FDI sector plays a considerable role in the growth of the Vietnamese economy as seen in its contributions to export revenue, job creation, and formation of supply chains in key export industries like electronics, garment, and footwear production, said Phan Huu Thang, former Director of the Foreign Investment Agency at the Ministry of Planning and

Investment, as cited by Dau tu (Vietnam Investment Review).

The continuous rise of trade surplus for the past nearly 10 years is partly attributed to the substantial role of FDI enterprises, which have helped Vietnam become one of the 20 largest trading economies. Its economy's total foreign trade topped 730 billion USD by the end of last year.

However, the overdependence on the FDI sector for export has also revealed certain problems. While domestic businesses have witnessed a serious trade deficit, large exporters, mainly FDI firms, in big export industries like garment, electronics, and footwear have had to apply lay-offs or furloughs due to order shortages.

Economist Le Quoc Phuong pointed out that in recent years, export has grown strongly in just quantity instead of quality. The added value in overseas shipments is still lower than that in other ASEAN countries such as Thailand, Singapore, and Indonesia.

FDI businesses is in integral part of the economy, but it also is necessary to gradually improve the competitiveness of domestic firms and their engagement in supply chains for the FDI sector right in the domestic market, he noted.

#### 5. Vietnam's digital economy may reach US\$49 billion by 2025

Vietnam's online retail sales hit US\$16.4 billion in 2022, accounting for 7.5% of the country's total retail sales of consumer goods and services. The rate is expected to rise to 10% by 2025.

The nation was the third-largest digital economy in the region with US\$23 billion in 2022, after Indonesia and Thailand, said the Department of E-Commerce and Digital Economy under the Ministry of Industry and Trade, citing data from the report.

A survey conducted by the department showed that around 78% of Vietnamese internet users

purchased goods through e-commerce platforms in 2022.

The figures reflected international optimism about the Southeast Asian country's digital economy and e-commerce growth.

According to the department, Vietnam was officially hooked up to the internet in 1997. Over the past 20 years, the internet has grown rapidly in the country and has become an important shopping channel for consumers.



## 6. VN to play a greater role in global commodity exchanges

The Mercantile Exchange of Vietnam (MXV) is to play an increasingly important role in global trade with changes in the Southeast Asia economy's supply and demand impacting the listed prices of commodities on global exchanges, said trade experts at a workshop held in Ha Noi yesterday.

Since its debut in 2006, trade through the exchange has been steadily growing with MXV reporting a 36 per cent growth year-on-year in 2022.

The exchange has successfully connected to many of the world's largest commodity markets including the Chicago Mercantile Exchange (CME Group), the London Metal Exchange (LME), the Intercontinental Exchange (ICE), the Singapore Exchange (SGX), the Osaka Exchange (OSE), and the Bursa Malaysia Derivatives Exchange (BMD), said Tran Duy Dong, head of the domestic market department under MoIT.

"MXV's success is a clear indication of Viet Nam's greater role in global trade. Large international exchanges not only view Viet Nam as a market with great potential, but they are also willing to collaborate with us to turn MXV into a leading exchange in the region," he said.

At the workshop, trade experts from CME said global trade will likely remain unpredictable for the rest of 2023. For example, global oil prices reached a peak of US\$83.38 per barrel in April, only to hit a new low of \$63.57 a month later on May 4.

Global macroeconomics still holds too many variables, primarily related to the US' economic performance and China's recovery. While there have been more downs than ups in the global market so far this year, there are still reasons to be optimistic about the resilience of the economy in the medium and long term, said Erik Norland, Executive Director and Senior Economist at CME Group.

The MXV Index, which represents 31 traded commodities in Viet Nam, has decreased by more than 10 per cent compared to the end of 2022. Among them, agriculture and energy experienced the most drastic price drops by 13 per cent and 17 per cent, respectively.

Experts said prices likely won't stabilise until global macroeconomic conditions improve.

In recent months, however, raw material prices have been on the rise, with many being Viet Nam's strong products including coffee, rubber and black pepper.

Meanwhile, pressure on the country's animal feed industry has been lessened as global prices for input materials went down significantly. Imported corn prices at ports such as Cai Lan and Cai Mep have dropped below \$280 per tonne, compared to the price of over \$330 per tonne earlier this year, which translated into lower prices for animal feed in the domestic market.

A report by the General Department of Vietnam Customs showed Viet Nam imported 2.81 million tonnes of corn in the first four months of the year, a 9.3 per cent increase from the same period last year. Imports of wheat and soybeans also increased by 6.7 per cent and 1.6 per cent, respectively.

However, experts have warned of a reverse trend during the second half of 2023 and one that businesses must take measures to mitigate its damage.

Dang Viet Hung, director-general of MXV, urged Vietnamese businesses to take full advantage of the current favourable conditions while laying the groundwork to prepare for the second half of the year.

By the end of 2022, Viet Nam remained the largest exporter of Robusta coffee, the third-largest exporter of rubber, the sixth-largest importer of

corn, and the third-largest importer of soybean worldwide.

## 7. Permanent office proof of Boeing's long-term commitment to Viet Nam's aviation

The global giant Boeing inaugurated its new permanent office in Ha Noi on May 12. Its purpose, as Boeing's senior vice president Brendan Nelson said, is to house the company's growing workforce and to demonstrate its long-term commitment to aviation in Viet Nam.

Dr. Brendan Nelson spoke to Viet Nam News reporter Le Viet Dung about Boeing's operation in the country in light of the office's inauguration.

*Viet Nam will be the world's 5th fastest-growing aviation market by 2035. How does Boeing plan to capitalise on this growth, and what opportunities do you see for the company in the country's aviation industry?*

We have a significant presence in 20 countries outside the United States and a presence in another 35. Viet Nam is one of our most important countries - it is one of those 20.

The International Air Transport Association (IATA) estimates that by 2035 there will be 150 million passenger movements in Viet Nam. And three years after that, in 2038, it will be 205 million.

We have made a commitment to Viet Nam, to its people, and to the aviation industry. We have now established a permanent office in Ha Noi, and our ten permanent staff in the office will grow in number.

This includes a master pilot, specialists in safety and air aviation regulation, and specialists in supply chain development.

We currently have six suppliers in the country. We want to grow those numbers and are working directly with five Vietnamese suppliers to train them in getting to the safety and technical standards necessary to join our supply chains.

We held the first Boeing Vietnam Aviation Industry conference last year. It attracted 100 companies, suppliers, and universities. In March, we held a four-

day seminar to provide training and assistance in every aspect of airport and aviation management. We also held a suppliers' conference.

And we are doing everything we can to assist Vietnamese airlines in operations and in the acquisition of new aircraft.

*Major airlines are getting more serious about hydrogen-powered planes and Viet Nam is expected to produce around 20 million tonnes of the chemical by 2050. How does Boeing plan to help the country position itself as the leading hydrogen supplier for global airlines?*

The Vietnamese Government has committed to net zero by 2050. We share this ambition. We are completely committed to decarbonising aviation, and every aspect of aviation in the manufacturing of aircraft, in the management of energy and waste, and in the use of fuels.

We admire the vision of the Vietnamese Government in working and investing in hydrogen. Boeing has been doing a lot of work testing hydrogen-powered and electric-powered aircraft.

In the near term, over the next 30 years, the key solution is sustainable aviation fuel (SAF). We have almost completed a detailed study of the production of SAF, feedstock, sources, and its production and distribution in Southeast Asia.

This is an area where we would like to work with Viet Nam because the country is ideally placed for the feedstock for SAF, and perhaps for its production.

We would like to explore with Viet Nam how we can work together for the production and uptake of SAF for aviation while seeing a longer-term place for hydrogen.

*How does Boeing plan to support domestic suppliers?*

We have six existing suppliers in Viet Nam and are working with five others to bring them up to speed. The companies are mainly what we call Tier 2 and Tier 3. Our ambition is to get more of those and get others to Tier 1.

Our responsibility is to help train Vietnamese companies to meet the quality, safety, and certification standards that are required to be part of our supply chain. We have already run one big supplier safety and quality seminar in this regard.

We have sought interest from Vietnamese companies in becoming Boeing's suppliers and are always interested in hearing from those coming to our permanent office to find out how to become one.

Regarding the current suppliers that we have in the country, about 95 per cent of their workers, professionals, and managers are Vietnamese people.

*It appears that Viet Nam has an interest in Boeing's defence products. Has there been any arrangement between the country and Boeing in this regard?*

Regarding defence equipment, we have already provided ScanEagles, our unmanned aerial vehicles, to the Vietnamese Coast Guard.

If the Vietnamese Government would wish to speak to us about items like helicopters for humanitarian and disaster relief, and assistance for the military, we would be willing to do so. But these are also matters for discussion between the Vietnamese Government and the United States Government.

*Viet Nam's Prime Minister has asked Boeing to support the country's aerospace industry by building aircraft maintenance centres in Chu Lai, Quang Nam Province. What is your comment on this?*

We have listened to the Vietnamese Government regarding the request for us to consider certain locations, including Chu Lai. We would give it serious consideration but do not have any decision to have a maintenance facility in Chu Lai or any other places at this time.

We are working with potential partners in Viet Nam, including airlines, to consider having a maintenance centre to support our customers. Part of the consideration is to have a critical mass of Boeing aircraft in need of maintenance.



## Corporate News

### 8. VGC: BOD resolution on the record date for dividend payment

↑ 2.93 %

The Board resolution dated May 17, 2023, Viglacera Corporation - JSC announced the record date for the retained cash dividend payment in 2022 as follows:

- Record date: June 01, 2023
- Exercise ratio: 10% (1,000 dong/share)
- Payment date: June 21, 2023
- Place of implementation:

+ For deposited securities: Shareholder will implement procedures to receive dividend at the securities company where shareholders opened securities depository account.

+ For undeposited securities: Shareholder will receive dividend at Viglacera Corporation - JSC on working days. Please present shareholder's identity card/citizen identity card and Share ownership certificate when receiving dividend at the Head office.

### 9. VIC: VinFast to expand into Southeast Asia electric mobility market

- 0.00 %

The Future Mobility Asia 2023 marked VinFast's official debut of its brand and products in Asia, representing a significant milestone in the company's regional market strategy and the next phase of its global development.

At the event, VinFast is showcasing its three EV models of VF e34, VF 8, and VF 9, and offering test drives. In addition to targeting customers, VinFast is actively seeking new partners to expand its market and promote sustainable mobility solutions in the region.

VinFast also reveals its intention to expand into the Southeast Asia market, in addition to its focus on key markets including North America and Europe. The company also intends to introduce right-hand versions of its EV models - VF 5, VF 6, VF 7, and VF e34 - tailored to meet market's specific features and demands.

Le Thi Thu Thuy, Vice Chairwoman of VinFast's parent company Vingroup and Chairwoman of VinFast, said that the expansion is part of

VinFast's global development strategy. The company has set a target to provide ASEAN countries with smart and safe mobility solutions, delivering excellent experiences and ultimately promoting a greener future for all.

VinFast offers a comprehensive lineup with models ranging from the A to E segment, featuring VF e34, VF 5, VF 6, VF 7, VF 8, and VF 9. In addition to its car lineup, VinFast provides a range of eight e-scooter models designed to target from mass to premium segments, which include Klara, Impes, Ludo, Tempest, Evo200, Feliz, Vento, and Theon. Furthermore, VinFast's ecosystem extends to e-buses, advanced battery and charging solutions, all within the ecosystem of Vingroup.

Countries in Southeast Asia are potential markets for EV consumption, offering significant room for development and fast-paced growth. With favourable geographical locations and similar business environments, the Southeast Asian market will be an effective catalyst for promoting the comprehensive development of VinFast's product and service ecosystem and that of Vingroup in the future.

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