



# VIETNAM DAILY NEWS



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## Market Analysis

### 1. Market ends higher to log weekly gain

The market finished higher on the last trading day of the week, buoyed by improved sentiment ahead of a long holiday and the restructuring activities of exchange-traded funds (ETFs).

The VN-Index on the southern exchange rose by 9.49 points, or 0.91 per cent, to close the week at 1,049.12 points. It logged a weekly gain after undergoing choppy sessions.

The index traded sideways in the morning session with low liquidity.

However, buying force got stronger in the afternoon session thanks to the restructuring of domestic ETFs, lifting investor sentiment.

On the Ho Chi Minh Stock Exchange (HoSE), gainers doubled decliners while liquidity also increased over the previous session. Particularly, the trading value and volume rose 18.1 per cent and 19.8 per cent, respectively, to VND10.28 trillion (US\$438.2 million) and 613.1 million shares.

The VN30-Index, which tracks the 30 biggest stocks on HoSE, also inched higher. It added up 9.89 points, or 0.95 per cent, to 1,051.43 points. Twenty-three stocks of the VN30 basket advanced, while six declined and one stock closed flat.

On the Ha Noi Stock Exchange (HNX), the HNX-Index rose for the third day in a row, up 1.62 points, or 0.79 per cent, to 207.48 points.

In the last session of the week, investors poured more than VND1.1 trillion on the northern bourse, equal to a trading volume of 74.9 million shares.

Statistics showed that stocks of appealing sectors like real estate and banking, continued to lead the market's rallies.

Specifically, Vinhomes was the biggest gainer today with a gain of over 4.2 per cent in market capitalisation. The property developer's shares had lost more than 1 per cent on Thursday.

The other two stocks in the Vin family, Vingroup (VIC) and Vincom Retail (VRE), also rebounded from the previous losses. They were up 3.17 per cent and 2.59 per cent, respectively.

Also lifting the market, VP Bank (VPB), SeaBank (SSB), Vietinbank (CTG), and Vietcombank (VCB) posted great increases, up in a range of 0.56-2.58 per cent.

On the other hand, some stocks still faced selling pressure, with BIDV (BID), Techcombank (TCB) and Sabeco (SAB) being the top three dominating the downtrend. These stocks fell 0.91-1.15 per cent on Friday.

The market also received support from inflows of foreign capital. Foreign investors continued to pour more than VND195 billion into the two main exchanges. Of which, they net bought VND168.48 billion on HoSE and VND26.73 billion on HNX.

The market will be closed for holidays starting tomorrow to next Wednesday.

## Macro & Policies

### 2. GSM launches green taxi service in HCM City

Green and Smart Mobility JSC (GSM) launched on April 27 a pure electric taxi service - Green SM Taxi in HCM City.

Initially, Green SM Taxi will start operation in its first phase with 500 GreenCar and 100 LuxuryCar. Green SM Taxi will officially begin on April 30 in HCM City after it debuted in Ha Noi on April 14.

The starting price for the first 1 km of the GreenCar service is VND20,000. For the next 24 km, the fare for the VF 5 Plus is VND15,000/km, and the VF e34 is VND16,000/km. From the 26th km onwards, the fare will be VND14,000/km for the VF 5 Plus and VND140,500/km for the VF e34. The price for LuxuryCar service is fixed at VND21,000/km for the entire journey.

Customers can easily book Green SM Taxi services via a nationwide hotline, 1900 2088, just like traditional taxi services, or through the Green SM Taxi application, available on App Store and Google Play. Riders can also hail cars at all Vincom shopping malls, public spaces around the city, or on the road.



### 3. Vietnam's exports fall in first half of April

The steep decline in export value was attributed to significant export drops in key product groups.

The export value of computers, electronic and component products fell by 25.2%, while that of mobile phones and components was down 23%. Iron and steel products also recorded a decrease of 21.7% in export value.

Vietnam's total export value this year to April 15 reached US\$92.5 billion, down 12% compared to the same period in 2022.

Some product groups dipped in export value, such as mobile phones and components falling by 15%,

textile and garment products by 18% and wood and wood products by 30.3%.

Meanwhile, Vietnam spent only US\$12.8 billion importing products in the first half of April, down nearly 11% compared to the second half of March.

Between January and mid-April, the total value of imports reached US\$87.2 billion, sliding around 17% compared to the same period in 2022.

Among them, mobile phones and components decreased 65.3% in import value, while the import value of computer equipment, electronic products, and components fell by 13.2%.

### 4. Garments and textiles sector cautious for 2023

At several annual general shareholders' meetings held by the garments and textiles industry recently, 'prudence' has been the common theme.

Hanoi-based Garment 10 Corporation (Garco 10) has set targets of \$182.6 million in total revenue and \$4.78 million in pre-tax profit, down \$16 million in revenue and \$1.73 million in profit on-year.

The dividend ratio for 2023 is set at 15 per cent, compared to 18 per cent last year.

"Our company has had to recalculate our business plan with caution to suit the market situation," said Than Duc Viet, CEO of Garco 10.

According to the chairman of Vietnam Textile Apparel Association, Vu Duc Giang, "When the market worsens, the cycle usually runs from between 12–14 months, but this time it is likely to last longer, potentially lasting 24 months in the worst-case scenario."

Danang-based Hoa Tho Textile Garment Corporation hopes to achieve \$195.6 million in revenue and \$8.68 million pre-tax profit this year, down 12.6 per cent and 41 per cent on-year respectively.

As the market has yet to show signs of rebounding, many operators in the sector are considering such worst-case scenarios, with a possible fall of between 30-40 per cent of order intake.

Dap Cau Garment Corporation, based in the northern province of Bac Giang, is no exception to the more cautious outlook running throughout the sector.

According to general director Luong Van Thu, this year Dap Cau envisages just \$17.4 million in total

revenue and about \$695,650 million in pre-tax profit, compared to \$23.78 million and \$1.06 million last year.

For Vinatex, this year the group aims to post similar revenues compared to last year of around \$847.8 million, but its pre-tax profit is set at just \$40.65 million, equal to 85.8 per cent of last year's total.

During an online conference for the local industrial and trade sectors in mid-April, Lam Dong of the Department of Industry and Trade noted that garments and textiles firms face the most difficulties. Apparel processing firms are experiencing a low intake of orders from Europe and North America.

In the first quarter of this year, silk product exporters experienced a severe material shortage as there was a spike in raw cocoon prices.

In addition, several firms exporting to Central Asian markets have faced difficulties in paying their foreign partners, resulting in a pause in exports to the region.

"China's reopening serves as a boost for our exports while creating more pressure for Vietnamese goods in the global market," said Nguyen Cam Trang, deputy general director of the Agency for Foreign Trade under the Ministry of Industry and Trade.

Many forecasts and analyses by domestic and international organisations show that the global demand for garments and textiles would decline by 6-10 per cent in 2023, falling to around \$710 billion, maybe as little as \$690 billion.

These conditions make Vietnam's target of \$45-46 billion in total export value seem overly optimistic unless the global appetite for textiles and related products suddenly increases.

## 5. VND120-trillion package for social housing sees few takers

They were speaking at a recent conference on bank credit and the implementation of Circular 02/2023.

Phung Thi Binh, deputy general director of the Vietnam Bank for Agriculture and Rural Development, said the biggest hindrance was the absence of eligible projects.

The Ministry of Construction's decision on April 24 assigned provincial authorities to announce lists of social housing projects eligible for accessing soft loans, yet these lists are nowhere to be found.

Thus, more time is needed to roll out the package, said Le Ngoc Lam, general director of the Joint Stock

Commercial Bank for Investment and Development of Vietnam.

“Banks are prepared to give new loans, but projects face difficulties with procedures, leading to slow credit growth,” he added.

The banking sector has several ways to make loans available for investors and buyers of social housing

projects, but it requires authorities to accelerate paperwork, said Nguyen Quoc Hung, general secretary of the Vietnam Banks Association.

The VND120-trillion credit package is designed to develop homes for the poor and workers and renovate or re-build aging apartment blocks.

## 6. HCM City draws nearly 980 million USD of FDI in four months

In the first four months of 2023, the southern economic hub saw 171.32 million USD in new projects, mostly in automobile and motorbike industry with 63.3 million USD, and construction with 53.7 million USD.

Singapore was the leading investor in the city in the January-April period with 58 projects worth 108.3 million USD, accounting for 63.2% of total FDI in new projects. It was followed by Japan with 26 projects worth 14.8 million USD, and Hong Kong (China) with 23 projects valued at 11.1 million USD.

Meanwhile, 372.63 million USD was injected in 95 underway projects in the city in the period, along with 435.69 million USD poured in share purchase and capital contribution deals.

Since the beginning of the year, the city has seen the termination of 74 FDI projects with a total investment capital of more than 60 million USD.

According to the city People’s Committee, as of April 2023, the city had been home to 11,668 operating FDI projects worth over 56.68 billion USD. Along with capital added in underway projects and share purchase deals, so far, HCM City has attracted nearly 80.91 billion USD of FDI in total.

In the first four months of 2023, HCM City drew 240.28 trillion USD of domestically-invested capital, down 43.3% over the same period last year.

The city also saw 14,752 newly-established businesses with total 144.56 trillion VND (6.16 billion USD), a year-on-year drop of 9.59% in project number and 58.71% in value. Meanwhile, 1,207 businesses were dissolved, 14,908 hailed operations, and 5,565 others resumed business. To date, the city has been home to 530,013 companies with combined capital of 10.1 quadrillion VND.

## 7. Consumer credit needs a legal framework

It is critical to develop a proper legal framework for consumer credit to protect the legitimate rights of both borrowers and lenders.

Ngo Xuan Duy from Vietnam International Debt Trading Company said that the existing legal framework was inadequate and lacked

transparency, causing difficulties for the operation of companies in this field.

The mechanism for lending and debt collection related to consumer credit was not complete, which was negatively affecting the market, he said. “We are still confused about how to make a debt reminder phone call in the right way,” he said.

In addition, many customers used fake documents to borrow money. It was necessary to enhance the responsibility of borrowers to make the market more transparent and prevent fraudulent activities, he added.

Both lenders and borrowers played the role in promoting the development of the consumer credit market, he stressed.

Nguyen Hoang Minh, chief representative of the Viet Nam Banks Association in HCM City, said that being equated with usury made it difficult for finance companies to operate.

The lending and debt collection results of some finance companies slumped in the first quarter of this year, Minh said, adding there was an increasing number of employees at finance companies quitting their jobs recently due to occupational risks and social prejudices.

Borrowers must be aware of their obligations while companies must improve their debt collection culture, Minh said.

Never have consumer loans been in difficulty as recently. The demand of borrowers was great, but finance companies did not dare to increase lending because of worries about the difficulty of debt collection.

Le Quoc Ninh, head of the Consumer Credit Club under the Viet Nam Banks Association, said that consumer finance companies were in a lot of difficulty after negative information of companies which were not licensed by the central bank. These companies were licensed by the provincial or municipal departments of planning and investment and operated under the Civil Law and the Law on Enterprise, not subject to the management of the State Bank.

Objectionable debt collection of some consumer lending companies and pawn shops which led to inspection and investigation by the policy negatively affected the image of mainstream consumer finance companies, he said.

Do Minh Hai, general direct of ATM Online, a fintech operating in consumer lending, said that consumer lending was more and more difficult in the context of economic slowdown, difficult business and

production affecting the incomes of workers – the target customers of finance companies.

A representative from FE Credit said that the shortage of regulations on borrowers resulted in increasing payment delinquency.

This was not a good thing when finance companies were forced to tighten lending and consumers who had real demand could not access the credit, he said.

According to the State Bank of Viet Nam's statistics, there were 16 consumer credit companies licensed by the central bank.

Nguyen Van Dung, Deputy Director of the State Bank of Viet Nam, HCM City Branch, said that the list of consumer credit companies and payment intermediary services was published on the website.

He urged consumers to be cautious about usury which was hiding in the shadow of finance companies, such as peer-to-peer lending apps, to avoid being scammed.

More reasonable rates

Besides proposing a legal framework for debt collection to be completed, experts said it was necessary to set lending rates at more reasonable levels for workers and disadvantaged groups.

Economic expert Nguyen Tri Hieu said that consumer credit rates of both official credit institutions or informal channels were high. There was a regulation that rates above 20 per cent per year was considered illegal. However, the fact was that no one had actually been prosecuted for lending with rates higher than 20 per cent.

For black credit, the rates could be up to hundreds of per cent.

Credit institutions should design more reasonable rates for workers and low-income earners, said Nguyen Hoang Bao Tran, Deputy Chairwoman of Binh Duong Labour Confederation.

## Corporate News

### 8. PDR: Extension of the time to hold AGM 2023

↑ 2.91 %

Phat Dat Real Estate Development Corp  
announces Decision dated April 26, 2023

regarding the extension of the time to hold the  
2023 Annual General Meeting but no later than  
June 30, 2023.

### 9. SAB: Explanation for the consolidated financial statements in Quarter 1.2023

↓ -1.15 %

Explanation for the consolidated financial  
statements in Quarter 1.2023 of Saigon Beer –  
Alcohol – Beverage Corporation as follows:

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File Attachment

[20230428\\_SAB-230428-Explanation-for-the-consolidated-financial-statements-in-Quarter-1.2023.pdf](#)

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