



FINANCE	2	BIZ NEWS	31
Reference exchange rate up 14 VND	2	System error hinders recovery of main index	31
Gold prices fluctuate, traders make huge profits	2	VN Index finishes lower as selling pressure weighs	31
Nothing to lose: Vietnamese crypto investors rest hopes on unlisted coin	3	HoSE's raising of standard trading lot to 1,000 could bar small investors	32
The race to increase capital continues	4	Many solutions to prevent network congestion on HoSE	33
KMS launches electronic know-your-customer platform for Southeast Asian banks	5	Trading value hits monthly high as VN Index dips	33
PGBank proposes shareholders to stop the merger with HDBank	6	HoSE to list 1.2 billion new shares this month	34
BAC A BANK listed on bourse	7	Expanding trading lot will discriminate against new small investors: experts	34
Shinhan Bank Vietnam has new CEO	7	'Workation': The rise of a hybrid travel trend after the pandemic	35
Hanwha Life ties up with drugstore chain Pharmacy	7	Using technology, farmers no longer need produce 'rescue' campaigns	36
Prudential, Maritime Bank expand, extend bancassurance partnership for 15 years	8	COVID hits HCM City tourism sector hard, again	37
When the flag of institutional reform is raised	9	HCM City to build 'golden brands' for agricultural products	38
FDI Attraction: Positive Signals for 2021	10	HCM City proposes developing five new railway lines	38
RoK resumes importing Vietnamese carrots	11	Thuduc House denies connection with companies to commit tax fraud	38
Binh Duong tops wood export nationwide	12	Ly Son garlic reputation threatened by fake products	39
Total export turnover of Ba Ria Vung Tau surges nearly 20pct	12	Expert suggests developing second airport for Hanoi area	40
Businesses go downhill, another bailout proposed	13	Rice farmers enjoy bumper harvest, high prices in Mekong Delta	40
Fresh dawn kindles for US-Vietnam relationship	14	Bamboo Airways resumes flights to Van Don Airport	41
Tax revenue totals 10.7 billion USD in first two months	16	Prefeasibility study of HCM City Can Tho rail project to be made	41
Experts approve delaying corporate taxes amid COVID difficulties	17	Rubber companies set lower profit targets for 2021	42
Vietnam striving to promote sustainable marine aquaculture development	17	Work on 15 million-USD textile factory underway in Tay Ninh	43
Vietnam to prepare for solar power boom	18	Hoa Phat's imports from Australia to reach \$1.44 billion this year	43
Hanoi ready to restart socio-economic activities with Covid-19 under control: Mayor	19	Career success is not all: female startup founder	43
Vietnam needs to build hub airports	19	Nestle launches NAN OPTIPRO	44
HCM City to meet yearly budget revenue targets	20	Vietnamese proptech startup raises \$1 million in pre-series A round	44
Planning key to effective performance of industrial parks in Hanoi	21	Getting rich quickly, Ninh Binh businessperson about to become dollar billionaire	45
HCM City implements seaport fee collection plan	21		
Bac Lieu attracting foreign investment for ethnic minority areas	22		
M&A pushing ahead real estate market	22		
Mixed fortunes for seafood sector in unpredictable year	24		
Hanoi targets to have 900 enterprises in supporting industries this year	26		
Optimistic about Property Market Growth in 2021	26		
Stability sought for Thu Duc city prices	27		
Vietnam is an attractive destination for Swiss investors	29		

FINANCE

Reference exchange rate up 14 VND

05/MAR/2020 INTELLASIA| VNA

The State Bank of Vietnam set the daily reference exchange rate at 23,166 VND per USD on March 5, up 14 VND from the previous day.

With the current trading band of +/- 3 percent, the ceiling rate applied to commercial banks during the day is 23,860 VND/USD and the floor rate 22,471 VND/USD.

The rates listed by commercial banks saw slight adjustments.

At 8:25 am, Vietcombank listed the buying rate at 22,900 VND/USD and the selling rate at 23,110 VND/USD, unchanged from March 4.

BIDV added 5 VND to both rates, listing the buying rate at 22,925 VND/USD and the selling rate at 23,125 VND/USD.

Similarly, Vietinbank adjusted both rates up 5 VND to 22,883 VND/USD (buying) and 23,123 VND/USD (selling).

During the week from March 1-5, the daily reference exchange rate mostly followed an upward trend except for March 4. It ended the week up 21 VND from the rate on Monday./.

<https://en.vietnamplus.vn/reference-exchange-rate-up-14-vnd/197114.vnp>

Gold prices fluctuate, traders make huge profits

05/MAR/2020 INTELLASIA| VIETNAMNET

The gold price in the world market has decreased by 13 percent this year, causing Vietnamese to lose billions of dollars. Meanwhile, the domestic price has stayed high.

The gold price in the Asian market is closer to \$1,700/ounce after falling from the \$1,800/ounce threshold last week.

On March 2, the world price fell to \$1,718/ounce, or VND48.7 million per tael, not including tax and fees, or VND7.5 million per tael lower than the domestic price.

"The gold price in the world market has been decreasing rapidly, \$100/ounce just within one week and \$250 so far this year, or 13 percent," said Do Huu Thanh, an investor in Hanoi, adding that it was not foreseeable.

According to Thanh, the gold price drop did not affect his assets, because the domestic gold price remains high, over VND56 million per tael. Thanh doesn't intend to sell gold at this moment.

A finance expert estimated that total gold reserves are worth up to \$20 billion. With the 13 percent decrease in the last two months, Vietnamese have lost \$2.5 billion.

In the world market, investment funds rushed to sell gold as the US dollar recovered and the US bond yield increased. Investors believe that the recovery of the US economy will come sooner than initially planned.

The price of the precious metal fell also because the cash flow is heading for stock market, which has picked up with the news about the Covid-19 vaccine.

While the world price fluctuates heavily, the domestic price remains at VND8 million per tael higher than the world market. The domestic market is quiet with few transactions because of low demand.

Analysts said businesses have still set gold prices at high levels because the domestic market is not highly communicative with the world market and the gold import/export is still carried out based on the quota granted by management agencies. The gold imports are controlled in an effort to prevent foreign currency bleeding.

According to Huynh Minh Tuan from Mirae Asset, demand for gold is weak, while cash keeps flowing into the stock market, VND15-20 trillion each session.

Gold and real estate remain favourite investment channels because investors lack high confidence in the domestic currency. Moreover, the prospect for gold is bright in the international market in the long term. The gold price does not heavily depend on demand. As businesses keep selling prices at high levels, they can make big profits.

Experts believe that gold will still be a good investment channel in the long term because the inflation rate is predicted to increase.

<https://vietnamnet.vn/en/business/gold-prices-fluctuate-traders-make-huge-profits-716988.html>

Nothing to lose: Vietnamese crypto investors rest hopes on unlisted coin

05/MAR/2020 INTELLASIA| TUOITRE NEWS

Armed with little more than a smartphone and a dream, inexperienced cryptocurrency investors in Vietnam are hoping to hit it big with Pi a cryptocurrency that can be mined from a phone.

As the crypto-craze in Vietnam continues being fueled by skyrocketing bitcoin prices and overnight millionaires, investors in the country are looking for low-barrier avenues to make their own fortunes on digital currency.

Enter Pi, a relatively new digital token that can be mined through the Pi Network app, advertised as "breakthrough tech [that] allows you to mine [Pi] on your phone without draining your battery."

Unlike conventional cryptocurrency mining, which involves the use of significant computer power to verify the legitimacy of transactions in order to earn tokens as a reward, obtaining Pi only requires 'miners' to log into the application and tap a button every few hours.

With such a low barrier to entry, Pi mining has pulled in scores of Vietnamese crypto-newbies in recent weeks.

"We've missed the boat on bitcoin, so many of us have switched to mining Pi," said Duc Danh, a Facebook user in HCM City.

"There's nothing to lose.

"After a few years, if the project succeeds, each Pi could be worth dozens of US dollars."

Also in on the Pi hype is Vinh from Phu Nhuan District, a Pi miner who has recruited 70 other 'miners' and aggregated over 1,000 Pi coins for doing so as part of a Pi Network programme akin to a multi-level marketing scheme.

"Pi mining costs nothing but bits of phone storage," Vinh argued.

"What if the price shoots up to a few hundred US dollars in the future?"

"No one expected bitcoin to soar to \$50,000."

New members on the Pi Network receive one free Pi coin and start with a mining speed of 0.1 Pi per hour.

This velocity will increase with more accepted referrals, thus incentivising users to gather as many new recruits under their umbrella as possible.

On Facebook, Pi Network groups have amassed hundreds of thousands of members curious about crypto mining, Pi's identity verification system, and security.

K., a newbie in one of these groups, shared great optimism for the cryptocurrency.

"I learnt about Pi the other day on Facebook, and have had high hopes for it ever since," he said.

Despite not being listed on big-name cryptocurrency exchanges, Pi's trading value is already receiving real-world recognition, with one coffee shop in HCM City accepting the token as payment.

There are also reports of an e-commerce platform that accepts Pi as payment at a rate of VND100,000 (\$4.5) for one Pi token, though the website was taken down on February 28.

No free lunch

Vietnamese users should take careful consideration before joining the Pi Network, said Dang Minh Tuan, a blockchain expert at the Posts and Telecommunications Institute of Technology in Hanoi, during a conversation with Tuoi Tre (Youth) newspaper. The most obvious thing, according to Tuan, is the risk of giving away personal data to the app developers.

With a community estimated at over 15 million users worldwide, Pi is currently a gold mine of personal data that can be abused for targeted ads on Google, Facebook, and TikTok.

On top of that, Pi's core team has not yet registered itself as a legal entity, which renders the contracts and ownership accords between users and Pi unprotected by law.

Pi has also not yet released its source code to the public, making the aggregate supply and demand of Pi tokens unidentifiable.

This indicates a huge risk for users involved because the developers have the power to inflate the currency as they please.

Sharing the skeptic's view, financial expert Lam Minh Chanh sounded the alarm about scams in the likes of Onecoin, Skyway, or MyAladdin.

According to Chanh, Pi is not completely free as users have to invest a great amount of time and phone resources.

They also face data security risks in return for the hopes of high investment returns that are fanned by vague speculation.

"Miners are unlikely to get rich. There is no free lunch," he said.

According to Nguyen Hoang Minh, deputy director of the State Bank branch in HCM City, bitcoin and other similar types of cryptocurrency are not methods of payment compliant with law in Vietnam.

Issuing, supplying, and using bitcoin as well as other similar types of cryptocurrency as forms of payment are also prohibited.

Accordingly, users and suppliers of cryptocurrency in the country will be declared culpable and subject to penalties.

<https://tuoitrenews.vn/news/business/20210304/nothing-to-lose-vietnamese-crypto-investors-rest-hopes-on-unlisted-coin/59608.html>

The race to increase capital continues

05/MAR/2021 INTELLASIA| THOI BAO KINH DOANH

It seems that the race to raise capital and improve the financial capacity of banks has never ended and even become hotter when the Vietnam Europe Free Trade Agreement (EVFTA) takes effect and the banking industry is increasingly complying with the application of international standards.

Last week, Viet Capital Commercial Joint Stock Bank (VietCapitalBank) made announcement on the issuance of 15 million shares under the Employee Stock Ownership Plan (ESOP), equivalent to the issue rate of 0.0473%. Once completed, VietCapitalBank's charter capital is expected to increase to 3.321 trillion dong.

At the beginning of the year, the State Bank of Vietnam (SBV) approved Saigon Commercial Joint Stock Bank (SCB)'s plan to increase capital by a maximum of five trillion dong from 15.231 trillion dong in the form of issuing shares to existing shareholders. Thus, after raising capital, the charter capital of SCB will be more than 20.230 trillion dong.

At the conference on the 2021 business strategy held recently, National Citizen Commercial Joint Stock Bank (NCB) also decided to increase charter capital to seven trillion dong by using shares to employees and existing shareholders.

From the beginning of the year until now, many banks have announced their capital raising plan. In particular, in addition the plan to increase capital through the issue of shares, many banks expect to sell shares to foreign strategic shareholders.

For example, Nam A Commercial Joint Stock Bank (NamABank) implements a plan to increase charter capital to seven trillion dong, including a sale of capital to foreign investors at the prescribed rate.

Recently, Orient Commercial Joint Stock Bank (OCB) said that it will sell another 10 percent of stake to foreign investors after the completion of the deal to sell 15 percent of stake of Aozora one of the most effective banks in Vietnam in June 2020.

Representative of Lien Viet Post Commercial Joint Stock Bank (LienVietPostBank) said that the bank is about to sell 4.99 percent of capital to foreign investors. Currently, many foreign investors want to buy, but the bank's leader board is looking for a suitable investor. This deal is expected to be completed in 2021, the minimum negotiation time is no less than six months.

Previously, SCB also said that the bank was in the negotiation process with foreign strategic partners to sell a part of its capital to enhance the financial potential after completing the restructuring and listing on the stock market.

In fact, the process of negotiating with foreign partners takes a lot of time. In addition, the Covid-19 pandemic has also made it more difficult to find partner.

In 2020, in the field of mergers and acquisitions (M&A), there was only the deal of OCB

(which sold 15 percent of stake to Aozora Bank (AOZ from Japan) carried out in mid-June 2020. According to OCB's Chair of the Board of directors (BOD) Trinh Van Tuan, the bank had worked with many partners an AOZ for more than two years.

Dr Nguyen Anh Tuan, deputy general director of Investment at Dragon Capital said that banking and finance is still considered an area drawing the attention of foreign investors. However, the maximum room for foreign investors in this field of just 30 percent is a barrier to attract capital from foreign investors.

According to the provisions of Decree 01/2014/ND-CP, the share ownership ratio of a foreign strategic investors must not exceed 20 percent of the charter capital of a Vietnamese credit institution and the total ownership rate of all foreign investors in a domestic credit institution must not exceed 30 percent of charter capital.

Currently, many Vietnamese banks have sold capital to foreign investors. For example, Asia Commercial Joint Stock Bank (ACB) has run out of foreign ownership room. HCM City Development Commercial Joint Stock Bank (HDBank) has sold more than 21 percent of stake to more than 10 foreign investors. Vietnam Technological and Commercial Joint Stock Bank (Techcombank) has sold 22.5 percent of stake to foreign investors. Vietnam International Commercial Joint Stock Bank (VIB) has finalised the foreign ownership room from 20.5%, in which the bank's foreign strategic shareholder CommonwealthBank of Australia holds 20%. Vietnam Prosperity Commercial Joint Stock Bank (VPBank) has also sold 15 percent of capital to foreign partners.

However, many banks still have full foreign ownership room available. That is not to mention the restructuring banks or the three "zero" dong banks, in which foreign partners can buy 100 percent of capital with the consent of the government, so the opportunity is open to investors.

On the other hand, according to the EVFTA, European banks will be able to increase their shareholding rate in two Vietnamese banks to a maximum of 49 percent without having to wait for a room expansion decision. This commitment does not apply to the four banks with dominant state capital (including Commercial Joint Stock Bank for Investment and Development of Vietnam (BIDV), Commercial Joint Stock Bank for Industry and Trade of Vietnam (VietinBank), Commercial Joint Stock Bank for Foreign Trade of Vietnam, and Commercial Joint Stock Bank for Agriculture and Rural Development of Vietnam (Agribank).

According to the Vietnam Investment Securities Company (IVS), VIB, VPBank, Techcombank and ACB are the potential candidates to be considered for foreign ownership room loosening as proposed by European banks under the EVFTA.

KMS launches electronic know-your-customer platform for Southeast Asian banks

05/MAR/2020 INTELLASIA| VNS

KMS Solutions, a subsidiary of US engineering and software services company KMS Technology, has launched an electronic know-your-customer (eKYC) platform targeting Southeast Asia's banking sector.

It automates the verification, identification and extraction of data from images and documents.

Le Huu Tan Tai, digital banking solution director at KMS Solutions, said: "Banking needs to stand at the forefront of digital transformation as it directly impacts the economy at large. However, Southeast Asia, and Vietnam in particular, still faces certain challenges when undertaking digital banking.

"Thanks to our experience in implementing digital banking for established banks across the world, KMS is well-positioned to support banks in the region with accelerating their digital transformation faster, more effectively and more securely."

eKYC allows banks to reduce the time needed to verify customer's information, which otherwise might take days to weeks using traditional methods.

Customers will no longer have to wait in long queues at counters because all the processes are done online.

The solution is researched and developed based on 4.0 technologies such as optical character recognition, face matching, liveness detection, and artificial intelligence.

Le Tran Bao Duy, general director of KMS Solutions, said, "As banks, financial institu-

PGBank proposes shareholders to stop the merger with HDBank

tions, e-wallets, and securities companies in Vietnam are actively going digital, the prospects for eKYC solutions are huge." eKYC could support at least 35 per cent of the automation process at banks in Vietnam by 2025, he added.
http://bizhub.vn/corporate-news/kms-launches-electronic-know-your-customer-platform-for-southeast-asian-banks_322629.html

05/MAR/2021 INTELLASIA| VIETNAM FINANCE

Petrolimex Group Commercial Joint Stock Bank (PGBank, UPCoM: PGB) has released information and documents about the Annual general Meeting (AGM) in 2021.

Regarding the business plan in 2021, the bank proposes a pre-tax profit target of 310 billion dong, up by 45%. The scale of assets is expected to slightly rise by more than three percent to 37.349 trillion dong. The outstanding loans to customers by the end of 2021 are expected at 27.640 trillion dong, while the total capital mobilisation is expected to be 32.518 trillion dong, respectively up by 7.8 percent and 13.3 percent compared to the realised figures in 2020.

Regarding debt settlement and recovery, PGBank's leader board expects to collect a total of 723.8 billion dong, in which the on-balance sheet bad debts are 308 billion dong and the debts sold to Vietnam Asset Management Company (VAMC) are 367 billion dong (including the recovery of the loans of which bonds were finalised), the collected debts (principal and interests) using risk provisions are 48.6 billion dong.

The bad debt ratio of PGBank in 2021 is forecasted at 2.5%.

An important content that PGBank's Board of directors (BOD) submits at the AGM is about the merger with HCM City Development Commercial Joint Stock Bank (HDBank). Accordingly, the merger between PGBank and HDBank was approved by PGBank's shareholders meeting in April 2018. PGBank's representative said that the two banks have urgently and actively implemented the merger and negotiated the related contents. The application for approval in principle was also approved by the State Bank of Vietnam (SBV) in October 2018.

However, the merger deal between the two bank has yet to be officially approved. PGBank's leader board said that since the prolonged merger will affect the bank's business operation, the BOD will propose the shareholders meeting for consideration and approval of the suspension of this deal.

PGBank's 2021 AGM will be held on March 30th at Mipec Building, Tay Son street, Dong Da district, Hanoi.

By the end of 2020, PGBank recorded a net interest income of more than 906 billion dong, up by more than five percent compared to 2019. The bank's net income from service, and foreign and gold trading activities was respectively 29.98 billion dong and 31.5 billion dong, equivalent to decreases of eight percent and 37 percent compared to 2019.

In contrast, the bank's net income from trading of investment securities sharply grew by 200%, but the revenue was modest at 21 billion dong.

Notably, the provisioning expenses for credit risks of PGBank dropped by more than 48 percent to nearly 282 billion dong in 2020, making the bank's pre-tax profit to soar to more than 212 billion dong, 2.3 times higher than the realised number in 2019.

PGBank's scale of assets by the end of 2020 was 36.153 trillion dong, up by 14.5 percent compared to the beginning of the year. The bank's customer deposits and outstanding loans to customers were respectively 28.738 trillion dong and 25.675 trillion dong.

The bad debt ratio of PGBank by the end of 2020 declined from 3.16 percent at the beginning of the year to 2.44 percent at the end of the year.

It is known that 300 million PGB shares of PGBank were officially traded on the Unlisted Public Company Market (UPCoM) from December 24th 2020 at the reference price of 15,500 dong per share.

By the end of the session on March 3rd 2020, the closing price of PGB was 15,400 dong per share. The bank's market capitalisation is estimated to reach 4.6 trillion dong.

BAC A BANK listed on bourse

05/MAR/2020 INTELLASIA| VIR

On March 3, locally-invested lender Bac A Bank officially listed 708.5 million shares on the Hanoi Stock Exchange (HNX) under the transaction code of BAB.

Bac A Bank has stopped transactions on the Unlisted Public Company Market (UP-CoM), where it has been traded since late December 2017, and shifted to the HNX.

Under Decision No.765/QD-SGDHN enacted by the HNX in late January 2021, Bac A Bank was allowed to list 708,500 million common stocks under the code of BAB.

"Bac A Bank's listing on the HNX is in line with the bank's development roadmap, affirming the prestige and status of the bank, increasing benefits for all stakeholders, and breaking open a new long-term capital mobilisation channel. This will also help make the bank's information more transparent and increase its values and ability to approach new investors this is a firm foundation for Bac A Bank to continue strongly and grow comprehensively in the time to come," the bank said in a press release.

In late October 2020, Bac A Bank completed the registration of supplementary transaction for 58.5 million stocks in a bid to issue stocks to pay dividends in 2019. Accordingly, Bac A Bank raised its total charter capital from VND6.5 trillion (\$282.6 million) to VND7.085 trillion (\$308 million).

Bac A Bank's total assets were valued at VND117.3 trillion (\$5.1 billion) as of the end of the 2020 fiscal year, up 8.6 per cent compared to the figure in the beginning of the year, with the asset quality increasingly ensured.

The bank's capital mobilisation activities have continued flourishing under its plan to increase the mobilisation of middle and long term capital. As of December 31, 2020, deposits at Bac A Bank reached VND92.455 trillion (\$4 billion), up 12.2 per cent against the year's beginning.

Credit growth has been controlled properly, with high safety and quality ensured. The bank's loans as of December 31, 2020 totalled VND79.44 trillion (\$3.45 billion).

The ratio of bad debts at the bank sat at 0.79 per cent, which was lower than the common level of the whole banking system.

In 2020, Bac A Bank completed its revised business plan, with VND624.5 billion (\$27.1 million) in after-tax profit. In the 2016-2020 period, the average after-tax profit of the bank grew 12.27 per cent per year.

<https://www.vir.com.vn/bac-a-bank-listed-on-bourse-82957.html>

Shinhan Bank Vietnam has new CEO

05/MAR/2020 INTELLASIA| VNS

Shinhan Bank Vietnam on March 3 announced the appointment of Lee Taekyung as Chief Executive Officer (CEO).

Since joining the Korean bank in 1992, he has been in charge of various functions like strategy, planning, risk management, and marketing.

He has been head of the global business division of Shinhan Bank Korea and is reputed to have a deep understanding of the bank's global business.

He has worked in the US and Cambodia.

As CEO in Cambodia in 2019-20, Lee has more than doubled the bank's size in terms of assets, profits, number of branches, and payroll.

He said at a function marking his assumption of office: "In the rapidly changing finance environment, customers' needs change quickly. We must be a bank that keeps pace with customer changes."

He underlined the importance of digitisation amid the uncertainty caused by Covid-19, calling on employees to provide quick and convenient services to customers through digitisation.

"Vietnam is the most important country in the global business of Shinhan Financial Group," he added.

http://bizhub.vn/corporate-news/shinhan-bank-vietnam-has-new-ceo_322604.html

Hanwha Life ties up with drugstore chain Pharmacy

05/MAR/2020 INTELLASIA| VNS

Hanwha Life Vietnam on Wednesday signed a memorandum of understanding with drugstore chain Pharmacy, making it a partner in the Korean insurance company's

customer care network.

Accordingly, Hanwha customers can pay their premiums at Pharmacity's 500-odd drugstores across the country.

Im Dong Jun, CEO and chair of the member council of Hanwha Life Vietnam, said: "Healthcare is an essential part of our business. In the context of the pandemic particularly, human health has become an issue of great concern for most people. With the hope of bringing more benefits and healthcare services to customers, Hanwha Life Vietnam seeks to intensify cooperation with reliable healthcare partners, including Pharmacity.

"I believe that this endeavour will provide more comprehensive healthcare service to customers of both parties. Pharmacity's customers will get access to Hanwha Life's financial protection solutions, and Hanwha Life's customers, staff and agents will have access to medicines and better healthcare services from Pharmacity."

Chris Blank, CEO of Pharmacity, said: "With a network of over 500 pharmacies in ... Hanoi, HCM City, Binh Duong, Ba Ria-Vung Tau, Dong Nai, Can Tho and Da Nang and professional, thoughtful pharmacists, we are confident that Pharmacity will bring the best services to customers.

"The cooperation with a life insurer having a wide network of offices like Hanwha Life and its sister companies will also help us achieve the target of having 1,000 drugstores by the end of this year."

In December 2020, Hanwha signed a deal with Gene Solutions, a leading genetics company in Vietnam.

It is accelerating digitisation of its sales network.

In 2020, its premiums grew by 20 per cent to nearly VND3.4 trillion (US\$147.7 million). Its profits are estimated at over VND300 billion (\$13 million). This is the first time the company has earned profits for two consecutive years.

http://bizhub.vn/corporate-news/hanwha-life-ties-up-with-drugstore-chain-pharmacity_322608.html

Prudential, Maritime Bank expand, extend bancassurance partnership for 15 years

05/MAR/2020 INTELLASIA| VNS

Prudential Vietnam Assurance Private Limited, a subsidiary of Prudential Plc, and Vietnam Maritime Commercial Joint Stock Bank have renewed their strategic bancassurance partnership for another 15 years.

The new agreement significantly expands the geographical scope to include the north, where MSB is headquartered, and make Prudential the lender's only partner.

They have been collaborating since 2013 and built a highly successful bancassurance partnership which delivered a 34 per cent compounded annual growth rate in annual premium equivalent between 2014 and 2020.

Under the renewed partnership, the two sides will also expand into new segments, including digital, to deliver holistic protection solutions to customers.

With a digital-focused approach that is aligned with MSB and Prudential's plans to leverage existing digital tools such as the latter's artificial intelligence-powered application Pulse, they hope to seize further growth opportunities.

Nic Nicandrou, chief executive of Prudential Corporation Asia, said; "Vit Nam is an important market and source of growth for Prudential. The renewal and expansion of our long-term partnership with MSB represents a tremendous opportunity for Prudential to build on its strong presence in the market. It is a clear demonstration of our commitment to serving MSB's customers, helping them get the most out of life with our leading suite of health and wealth solutions."

Phng Tin Minh, chief executive officer of Prudential Vietnam, said; "Prudential Vietnam has built a highly-effective bancassurance partnership with MSB since 2013.

"We are delighted to be taking the partnership to the next level as we deliver our innovative offerings to MSB's customers through existing as well as new channels, including digital. We look forward to continuing our strong relationship with MSB for another 15 years."

Nguyen Hoang Linh, chief executive officer of MSB, said: "We have enjoyed a very suc-

When the flag of institutional reform is raised

successful partnership with Prudential Vietnam and this reinforced our decision to extend the partnership and expand its scope to cover all of Vit Nam.

"Together with Prudential Vietnam, we will remain focused on providing best-in-class financial and investment solutions to consumers across the country, helping them fulfil their evolving needs and providing them with a secure future."

<https://vietnamnews.vn/economy/893635/prudential-maritime-bank-expand-extend-bancassurance-partnership-for-15-years.html>

05/MAR/2020 INTELLASIA| VIETNAMNET

Institutional reform and improving the business environment reflect the government's enduring determination over the years, benefiting people and businesses.

Nguyen Quoc Dung, Head of Business Department, Electricity Vietnam group (EVN) still remembers the bad feeling of a few years ago.

At that time, the electricity access index of Vietnam ranked 156 out of 170, the lowest in the world. "I was shocked and didn't understand why. We tried to do well but were underestimated by the world," recalled Dung.

After doing research, he discovered that EVN had long been ignoring global standards. "We no longer compared ourselves with ourselves anymore but compared ourselves to the world to know who we are, where we are." That approach was supported by EVN's leaders and implemented for the whole system. As a result, the electricity access index reached 27/190 countries ranked by the World Bank.

The remarkable rise of EVN and some other areas was thanks to the government's steadfast determination through Resolution 19, now Resolution 02, which put pressure on ministries, sectors and local governments.

It was a long process of awareness improvement. In 2009, American professor Michael Porter was invited to help Vietnam build international standards for business environment assessment.

However, a government leader at that time did not agree when saying that Vietnam must build its own set of criteria. The director of the Central Institute for Economic Management, Nguyen Dinh Cung, who was assigned to draft the criteria, was completely stuck.

"Three or four years passed and we could not do anything about it," he recalled. Only when deputy prime minister Vu Duc Dam received that task and asked to use international standards (because Vietnam did not have methodology and data) was the content of Resolution 19 drafted and approved.

Thanks to that resolution, Cung and his colleagues were supported by many people, especially deputy prime minister Vu Duc Dam and minister, Chair of the National Assembly Office Mai Tien Dung.

Letter to minister

With the support of prime minister Nguyen Xuan Phuc, they organised meetings on the implementation of Resolution 19 in ministries, agencies and localities on reducing the number of business conditions.

Industry and trade used to be the stronghold of many business conditions and the ask-give mechanism. In 2016, when prime minister Nguyen Xuan Phuc took office and expressed his high determination to reform institutions, an opportunity came.

Head of the Legal Department of the Vietnam Chamber of Commerce and Industry (VCCI) Dau Anh Tuan recalled: "In early 2016, when VCCI reported to the government that the Ministry of Industry and Trade had the most business conditions, the ministry reacted harshly. But after that, things were different very quickly."

"The business environment became more open due to the determination to reform institutions, along with a stable macro-economy. This created a fertile ground for businesses to develop with nearly 130,000 newly established firm each year, a record."

In June 2016, Nguyen Dinh Cung wrote a letter to the minister of Industry and Trade Tran Tuan Anh about business barriers that need to be removed such as formaldehyde testing, energy labeling, rice export... However, he did not send the letter immediately but waited to see.

In the first working session of his term with the Ministry of Industry and Trade on July 12, 2016, prime minister Nguyen Xuan Phuc pointed directly that this ministry was "one of the few" ministries and agencies that were being complained about.

880 business investment conditions cut for industry and trade sector

Just over a month later, minister Tran Tuan Anh organised a series of unprecedented internal meetings. He demanded to cut a lot of business conditions despite many objections.

Later, the abolition of Circular 37 on testing the content of formaldehyde on textile products saved thousands of billion VND, tens of thousands of working days for 6,000 textile enterprises, hundreds of leather and footwear businesses, and thousands of businesses importing related goods.

Over the past five years, Tran Tuan Anh requested to cut 880 business investment conditions. An official in the ministry said, the minister's actions are not always supported by subordinates because cutting business conditions is reducing their power and their profits.

When summarising the work of the industry and trade sector in 2020, prime minister Nguyen Xuan Phuc asked the Ministry of Industry and Trade to focus on institutional improvement, reform of state management methods in the direction of changing management thinking from pre-check to post-check, and creating an open environment for development investment associated with improving efficiency in state management... According to the government Office, more than 50 percent of the total of about 6,000 business conditions have been reduced and simplified. The business environment became more open due to the determination to reform institutions, along with a stable macro-economy. This has created a fertile ground for businesses to develop with nearly 130,000 newly established firm each year. The prime minister clearly understood that when he issued resolution 68/2020 of the government with the ambitious goal of cutting business regulations by a further 20%.

The battle against sublicensing, despite many achievements, must continue. All to ensure people's freedom of business.

<https://vietnamnet.vn/en/feature/when-the-flag-of-institutional-reform-is-raised-717136.html>

FDI Attraction: Positive Signals for 2021

05/MAR/2020 INTELLASIA| VIETNAM BUSINESS FORUM

Despite complicated COVID-19 pandemic developments, many large-scale FDI projects arrived in Vietnam in early 2021. Vietnam is increasingly becoming a bright candidate for transition of the value chain in Asia and a really bright actor of the regional economy.

Accommodating major investors

According to the Foreign Investment Agency (FIA), foreign investors spent \$5.46 billion to invest in fresh and existing projects and buy shares in the year to February 20, equal to 84.4 percent of the value in the same period of 2020. Foreign direct investment (FDI) projects disbursed \$2.5 billion in the period, up 2 percent year-on-year.

By industry, foreign investors invested in 17 industries. The processing and manufacturing industry drew the most FDI funding with over \$3 billion, accounting for 55.7 percent of the total registered FDI funding, followed by the electricity production and distribution sector with \$1.44 billion or 26.5 percent of the total. Real estate and science-technology followed with nearly \$485 million and nearly \$153 million, respectively.

Notably, in the first months of 2021, many giant FDI projects were invested in Vietnamese localities like Hai Phong, Bac Giang, Quang Ninh and Dong Nai. On February 5, Quang Ninh Economic Zones Authority awarded investment license to the \$30 million Lioncore factory project. In the first quarter of 2021, the authority was expected to guide investors to complete procedures for obtaining investment certificates for six new investment projects and one existing expanded cashew project with a total registered capital of over \$200 million. These projects are engaged in the processing and manufacturing industry.

In Hai Phong City, in the early days of February 2021, the People's Committee also licensed LG Display Vietnam Hai Phong Co., Ltd to invest \$750 million in LG Display Hai Phong Project. Previously, in Dong Nai province, in the first 13 days of 2021, 11 FDI projects, including three fresh projects and eight existing projects, were licensed to invest more than \$226 million in the province, the highest in the same period of time in five years in the province.

Besides, some other big projects were licensed in the first two months of 2021, including \$1.31 billion O Mon II Thermal Power Plant (Japan), \$312 million expanded Radian tires manufacturing project (China) in Tay Ninh province, and \$270 million Kodi New Material Vietnam project (Singapore), which manufactures tablets and laptops in Bac Giang province.

Minister of Planning and Investment Nguyen Chi Dung said, in the near future, this foreign investment will add new production capacity to the economy to spur growth. This is also the time Vietnam must select and invest in high technology without compromising the environment.

Feasible target of \$28.5 billion FDI fund in 2021

Given early positive signals, the target of \$28.5 billion of registered FDI funds and \$19.9 billion of spent funds is completely within reach, according to experts.

According to a report by the Foreign Investment Agency (FIA), in the first two months of 2021, the transition of the Investment Law 2014 and the Investment Law 2020 affected greenfield and existing foreign investment projects in Vietnam. The 2020 law, effective from January 1, 2021, has created a large opening to attract investors to Vietnam. Accordingly, the law has notable changes in investment incentive policies. Compared to the old regulations, the new rule adds new industries to the scope of preferential investment incentives, like products formed from scientific and technological research being categorised in the list of industrial products supported and prioritised for developing tertiary education and manufacturing medical equipment. New policies on beneficiaries of investment incentives are adjusted toward more focus on high-tech and innovative startup projects.

Furthermore, advantages also come from the continued improvement of infrastructure of industrial parks, export processing zones and economic zones across the country. By the end of 2020, the prime minister also approved 19 coastal economic zones covering a total area of about 871,000 ha.

In addition, free trade agreements such as the EU-Vietnam Free Trade Agreement (EVFTA) and Regional Comprehensive Economic Partnership (RCEP) have opened a new, broad and comprehensive cooperation direction for Vietnam.

In addition to positive impacts created by policies and guidelines of the central government, localities are very actively preparing to accommodate investors. They have reviewed and adjusted their plans for economic and industrial zone development to ensure available land for new projects, focusing on mobilising enterprise resources to develop technical infrastructure of industrial zones. They also quickly grasp new developments to provide timely, effective support for investors to deal with emerging matters, facilitate their investment and increase their appeal to investors.

In 2021, the Ministry of Planning and Investment will also conduct a FDI project review, focusing on assessing regulatory compliance, environmental protection and anti-transfer pricing. Incentives for FDI enterprises will be further reviewed and planned to cut supports for low-tech, energy-consuming, environment-polluting projects.

<https://vccinews.com/news/43212/fdi-attraction-positive-signals-for-2021.html>

RoK resumes importing Vietnamese carrots

05/MAR/2020 INTELLASIA|VOV

Recent days has seen hundreds of containers flock to Cam Giang and Nam Sach districts in Hai Duong province, the nation's largest novel coronavirus (COVID-19) hotspot, to transport carrots to Hai Phong port before being exported to the Republic of Korea (RoK).

Hai Duong has just ended social distancing measures after the latest coronavirus out-

break was brought under control. Check points which connect the locality to Hai Phong city have also been lifted.

Tran Van Quan, director of the provincial Department of Agriculture and Rural Development, said 30 containers of carrots were transported on March 3 from Duc Chinh commune in Cam Giang district.

Furthermore, approximately 1,000 tonnes of carrots from Hai Duong province are planned to be exported to the RoK on March 4, Quan added.

Local firms collected carrots from farmers at a price of VND5,000 (just \$0.21) per kilo, and sold the product to the importer at VND10,000 per kilo.

The boost in farm produce exports has taken place after the RoK on February 25 decided to lift its import ban placed on Vietnamese carrots along with some other agricultural products.

Hai Duong makes up one of the largest carrot growing areas in northern Vietnam, covering 1,500 hectares with the majority mainly located in Cam Giang and Nam Sach districts.

The price of carrots for export is anticipated to rise further if China, Vietnam's largest farm produce consumer, opens its border to import the product.

<https://vov.vn/en/economy/rok-resumes-importing-vietnamese-carrots-841004.vov>

Binh Duong tops wood export nationwide

05/MAR/2020 INTELLASIA| VNA

Wood and wooden product exports in the southern province of Binh Duong fetched 5.6 billion USD in 2020, accounting for 47.3 percent of the nation's total wood export value, according to the Binh Duong Furniture Association (BIFA).

The US, Japan, and Hong Kong and Taiwan (China) remained the largest importers of the locality's wood and wooden products.

Benefiting from the EU-Vietnam Free Trade Agreement (EVFTA), which took effect from August 1 last year, Binh Duong's wood industry has expanded exports to EU member nations.

Many multinational companies have started shifting their production bases from other countries to Vietnam, while Vietnamese businesses have also begun their restructuring and participated in global supply chains.

The strong development of the wood industry in the year was attributed to these, BIFA said.

Dien Quang Hiep, Chair of BIFA, said enterprises tend to promote the application of technologies in production and management, adding that Binh Duong's wood industry is mapping out sustainable strategies to further develop its market.

He noted that the sector has experienced many fluctuations in the context of trade tensions between major powers, and faced difficulties related to materials for production. Support industries serving the sector have not yet developed, he added.

In particular, the requirement to strictly comply with commitments related to trade and technical barriers, rules on origin and environment within the EVFTA also puts pressure on local wood producers./.

<https://en.vietnamplus.vn/binh-duong-tops-wood-export-nationwide/197059.vnp>

Total export turnover of Ba Ria Vung Tau surges nearly 20pct

05/MAR/2020 INTELLASIA| SGGP NEWS

The Department of Industry and Trade of Ba Ria Vung Tau Province informed that the total export turnover of the province excluding crude oil was around \$838.18 million in the first two months of the year, an increase of 19.68 percent over the same period last year.

Accordingly, foreign enterprises accounted for 69.35 percent of the total export turnover, equaling to \$581.25 million, and surging 32.53 percent over the same period of 2020. Meanwhile, domestic businesses made up \$256.93 million, accounting for 30.65 percent of the total export turnover and decreasing 1.85 percent over the same period last year.

As for import activities, the province gained \$1,035 billion in import turnover during the first two months of the year, a hike of 7.06 percent over the same period. Of which,

Businesses go downhill, another bailout proposed

foreign-invested enterprises accounted for 82.93 percent with \$858.40 million, surging 13.58 percent.

The main export markets of the province are growing well, including Asian market with the export turnover of \$689.87 million, an increase of 15.55 percent over the same period; American market and African market with \$72.2 million and \$38.89 million in export turnover, increasing 2.2 times and 33 times, respectively.

<https://sggpnews.org.vn/business/total-export-turnover-of-ba-ria-vung-tau-surges-nearly-20-percent-90966.html>

05/MAR/2020 INTELLASIA| VIETNAMNET

The Ministry of Planning and Investment (MPI) is considering asking the government to launch the second support package to help businesses stand firmly amid the Covid-19 pandemic.

MPI minister Nguyen Chi Dung met with enterprises on March 1 to learn about the situation and design policies to give supplementary support to help enterprises cope with the difficulties caused by Covid-19.

A similar meeting was held at the same time last year where businesspeople talked about their problems and made proposals.

After the meeting, the ministry gave advice to the government to set up policies to support enterprises. Some policies were not effective, but in general, the bailout helped enterprises maintain production and ensure the continuation of production and supply chains, and supported social security for people, especially the poor.

As the Covid-19 pandemic remains unpredictable, businesses are still facing challenges, Dung said, adding that he has proposed that the government allow the second bailout.

Also on March 1 morning, the minister had a working session with aviation businesses. The working session in the afternoon of the same day focused on the production sector, and the processing and manufacturing industry.

A survey conducted by MPI has found that the health of businesses is at least at an optimistic level. The number of newly set up businesses in 2020 was 134,900, a decrease of 2.3 percent compared with 2019. The total number of workers in the newly registered businesses was 1 million, down by 16.9 percent.

Nguyen Chi Sang, deputy chair and secretary general of the Vietnam Association of Mechanical Industry (VAMI), said the biggest problem for enterprises is the lack of orders. The turnover for automobile enterprises is on the decrease. Mechanical engineering enterprises, after one year of Covid-19, have seen orders decreasing, while transport fees are on the rise.

A representative from VAMI proposed that the government prop up the costs for specialised quarantine, saying that this costs enterprises a lot of money. The association also proposed creating favourable conditions for domestic enterprises to participate in domestic projects.

Meanwhile, Le Ngoc Duc, CEO of Hyundai Thanh Cong, proposed continuing the application of the policy on car registration tax reduction for automobiles to be manufactured domestically in 2021.

In June 2020, the automobile market witnessed the decline of 35 percent because of Covid-19, which put difficulties for all manufacturers. The government then decided to slash the vehicle registration tax by 50 percent applied to domestically made products.

The policy, plus the manufacturers' effort to reduce the selling prices, helped the market grow in the second half of the year. The total market output decreased by 10 percent only by the end of 2020 in the context of Covid-19, according to Duc.

He went on to say that in early 2021, the sales once again dropped dramatically as the 50 percent tax registration reduction policy was no longer valid.

Regarding the steel manufacturing industry, the Vietnam Steel Association (VSA) said it is lackluster with moderate production and slow sales as many construction projects have been suspended for fear for new pandemic outbreaks.

The goods circulation has been slow because of weak demand. The transportation of materials and goods in the northeastern part (Hai Duong, Hai Phong, Hung Yen and Quang Ninh) has been facing big problems because Hai Duong and Quang Ninh are the epicenters.

VSA has asked the State Bank of Vietnam (SBV) and joint stock banks to create preferential credit policies, allowing payment delays for the loans to be due and slashing lending interest rates.

The association also asked local taxation agencies to delay the tax payment to avoid pressure on enterprises; and consider reducing the corporate income tax.

According to Truong Van Cam, deputy secretary of Vitas, the total textile and garment export turnover in 2020 was \$35 billion, a decrease of 9.8 percent from 2019. In the first two months of 2021, the export turnover was \$5.8 billion, up by 4 percent compared with the same period last year.

Cam said orders are not lacking, but the prices are on the decrease. Enterprises, especially ones in epidemic-hit areas, are facing difficulties in goods circulation.

Hai Phong City authorities have set very strict quarantine regulations. As a result, goods have been stuck, and enterprises could not get materials from Hai Phong Port and could not export their products.

<https://vietnamnet.vn/en/feature/businesses-go-downhill-mpi-proposes-another-bail-out-716984.html>

Fresh dawn kindles for US-Vietnam relationship

05/MAR/2020 INTELLASIA| VIR

With the new United States administration recently established, the US and Vietnam are expected to continue building bilateral trade and investment ties on the back of various motives including a possibility for the US to rejoin the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

In his first few days in office five years ago, President Donald Trump withdrew from the Trans-Pacific Partnership, which was a pillar of the Barack Obama administration's pivot towards Asia. The remaining 11 member states have since reframed the agreement as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and President Joe Biden's commitment to rebuilding relations with allies has sparked speculation about the US returning to the fold.

Fitch Solutions under global ratings firm Fitch Group told VIR in a statement that Vietnamese trade would receive a surefire boost should new Biden decide to rejoin the CPTPP.

"Biden stated in 2019 that the US should renegotiate parts of the CPTPP and re-assemble a coalition to counterbalance China's perceived expansionist policies. The Trump administration withdrew from the original deal in 2017 under the pretext that it would harm US workers. A scenario where the US rejoins the CPTPP would deliver substantial tailwinds to Vietnamese exports to the US from lower tariffs in major export categories," Fitch said.

In fact, the CPTPP may offer great windfalls to the US. Statistics from law firm Duane Morris Vietnam LLC showed that the population of the CPTPP countries exceeded 513 million people as of October 2020. The CPTPP countries account for nearly 45 per cent of US total exports and 37.6 per cent of US general imports in 2014. By cutting over 18,000 taxes in regards to CPTPP, there would be a great benefit for American importers and exporters by enabling them to enter new markets.

As the United States International Trade Commission estimates, the US exports of goods and services to the world would expand by \$27.2 billion by 2032 thanks to the CPTPP, while US imports would expand by \$48.9 billion.

Oliver Massmann, general director of Duane Morris Vietnam LLC, pointed out various benefits for the US if it rejoins the CPTPP. He took public procurement as an example. "Dropping the CPTPP means that the US has lost access to government procurement of other CPTPP countries, which amounts to \$1.47 trillion," he said in a letter recently sent to President Biden.

Massmann cited the International Monetary Fund's World Economic Outlook data-

base in October 2019 as stating that in Vietnam, government procurement's percentage of GDP in 2019 was 12 per cent or \$40.87 billion.

The great advance of the CPTPP will be that even Vietnam, Malaysia, and Brunei, which have not agreed to coverage of their government procurement before and are currently not covered by an existing US free trade agreement or government procurement agreement of the World Trade Organisation, have undertaken to do so.

"This is a key export opportunity for US goods producers and services companies. Currently Chinese companies profit the most. About 90 per cent of power, mining, manufacturing, ferrous, and chemical projects of state-owned companies in Vietnam are awarded to Chinese contractors," Massmann noted.

Furthering ties

Early this month, Vietnam's deputy prime minister, minister of Foreign Affairs Pham Binh Minh held phone talks with US Secretary of State Antony Blinken. Both sides agreed bilateral ties have advanced across fields over the past 25 years, and pledged to cooperate in deepening ties "in a more comprehensive manner, with a focus on economy-trade-investment, overcoming war consequences, enhancing maritime capacity, fighting COVID-19, and adapting to climate change."

It is expected that in 2021, there will be more connections and talks between both nations' high-level leaders, investors, and enterprises.

Adam Sitkoff, executive director of the American Chamber of Commerce in Hanoi (AmCham) told VIR that he expected US-Vietnam trade and investment cooperation to further flourish thanks to several reasons including the US new administration's positive stance towards both nations' bilateral ties.

"As major investors here, American companies have an interest in Vietnam's continued success. It is a new year and we welcome the incoming leaders in both countries," Sitkoff said. "American investors are optimistic about business prospects in Vietnam and we support efforts to create a modern economy that will attract future investment and high-paying jobs for Vietnamese people. We will continue to work on lowering barriers to trade, to help the Vietnamese government make it easier to do business, and to create a high-standard, transparent, and stable business environment to ensure that all investors have fair access to that opportunity."

Statistics from Vietnam's Ministry of Planning and Investment showed that as of January 20, US investors registered over \$9.51 billion in Vietnam for more than 1,000 valid projects, making the US the 11th-largest foreign investor in the Southeast Asian nation. In January alone, the US ranked fourth in investment in Vietnam, with total newly-registered capital of \$122.2 million.

Currently many US firms are exploring opportunities in Vietnam, such as Morgan Stanley, ACORN International, general Dynamics, Nue Capital LLC, BlackRock's Asian Credit, Lockheed Martin International, Smart City Works, Google, Columbia University, and USTelecom.

Positive impacts

Fitch Solutions believed that the incoming Biden administration will have largely positive implications for Vietnam.

"The impact on Vietnam's trade growth should be positive, given that Biden will take a more pragmatic approach towards Vietnam's growing trade surplus with the US, which means a lower risk of punitive trade tariffs than under Trump's currency policies," the Fitch Solutions statement read.

"Trump-era trade tariffs on Chinese exports and rising geopolitical tensions between China and the West have also set in motion a relocation of manufacturing to Vietnam, which is likely to continue. Should the US decide to join the CPTPP in the coming years, Vietnam would also benefit from accelerated trade expansion with the US."

Fitch Solutions further explained that Biden is likely to take a more pragmatic view towards trade developments with its economic partners.

"In particular, we believe that the Biden administration will come to understand that Vietnam's trade surplus with the US will grow as more manufacturers relocate to the Southeast Asian nation due to the ongoing US-China trade war. Furthermore, while

there is bipartisan support in the US for a hardline stance on trade with China, we believe that a desire by the Biden administration to rebuild its relations with its allies would see an easing of the trade tensions with allied countries generated by the Trump administration. Therefore, we believe that the Biden administration will entail lower risk of further US tariffs on Vietnamese exports."

In 2020, total export-import turnover between Vietnam and the US was \$90.1 billion, up from \$76 billion in 2019.

Hurdles need removing

Sitkoff from AmCham in Hanoi told VIR that though Vietnam and the US have many common foundations to further cement their trade and investment ties, he hoped Vietnam's government will take more drastic action to remove obstacles currently facing investors.

"It is critical that US companies and investors here in Vietnam encounter an equal, level, and predictable playing field as a solid foundation, not only to attract new investment, but also to maintain and grow the investment that is already here," Sitkoff said. "In addition, we recommend that foreign investment limitations, an overly restrictive legal framework, and burdensome administrative procedures should be carefully reviewed and selectively relaxed to encourage increased US investment," he suggested. "In our view, by opening its market to more US goods and services, Vietnam can help to rectify the growing trade imbalance between the two countries in a manner that benefits both countries."

According to AmCham, one of the biggest hurdles for foreign firms including US ones in Vietnam is the tax system.

"While Vietnam's corporate income tax rate of 20 per cent is competitive, data shows that filing and paying taxes in the country is still too high a burden compared to neighbouring countries. Too many companies are also suffering from what seems to be unfair and non-transparent reassessments with penalties and interest," said an AmCham statement recently sent to the government. "We hope to see real progress on advanced pricing agreements which create the stability and predictability necessary for integrating into global supply chains."

<https://vietnamnet.vn/en/business/fresh-dawn-kindles-for-us-vietnam-relationship-716368.html>

Tax revenue totals 10.7 billion USD in first two months

05/MAR/2020 INTELLASIA| VNA

Nearly 246.449 trillion VND (over 10.7 billion USD) in taxes was collected for the State budget in the first two months of 2021, equivalent to 22.1 percent of the estimate, according to the general Department of Taxation.

Of the figure, over 241.5 trillion VND or 22.1 percent of the estimate was domestic revenue.

Tax revenue from State-owned and foreign enterprises reached 20.4 percent and 25.4 percent of the target, respectively.

According to the general Department of Taxation, the number of enterprises suspended their business in the reviewed period due to the COVID-19 pandemic rose 60.5 percent to over 19,700, resulting in the decrease of budget collection.

The Ministry of Finance has announced it may further extend tax payment deferrals to support companies suffering from the COVID-19 pandemic this year.

Last month, the ministry submitted to the government a proposal on the further extension on the payment deferral period of value-added, corporate income and personal income taxes as well as land use fees for pandemic-hit companies and household businesses in 2021.

It estimated that a total of 115 trillion VND (4.98 billion USD) worth of tax and land use fee payments would have their deadlines extended./

<https://en.vietnamplus.vn/tax-revenue-totals-107-billion-usd-in-first-two-months/197069.vnp>

Experts approve delaying corporate taxes amid COVID difficulties

05/MAR/2020 INTELLASIA| VNS

The government needs to extend the deadlines for the payment of taxes and fees to support companies since the COVID-19 pandemic continues to affect them, experts have said.

Chu Tien Dung, chair of the HCM City Union of Business Associations, said a recent proposal by the Ministry of Finance to defer taxes is timely and good for businesses. HCM City is the country's economic hub, and companies there have been badly affected by the lack of human resources, since workers from other provinces have failed to come back in time after the Lunar New Year in mid-February.

On top of that, social distancing and cleaning up the workplace have pushed off their costs, he said.

"Though the economy grew last year, businesses faced great difficulty.

"The first quarter is the time a new year begins, and so the government should defer taxes to enable businesses have cash for the short term."

It would be effective if the extension lasts two quarters instead of three to five months as recommended by the ministry, he said.

Economist Le Dang Doanh too backed the ministry proposal, saying the tax and fee deferment would enable companies to have money to pay for expenses at the beginning of the year.

"The State budget might be facing difficulties, but a three-month delay is practicable."

Experts however emphasized that tax delays are only a short-term solution, and the driving force would be an improvement in the business environment.

According to the proposal made by the ministry, value-added tax, corporate income tax, personal income tax, and land rental tax will be extended by three to five months. They will amount to VND68.8 trillion worth of value-added tax-deferred by five months and VND40.5 trillion worth of corporate income tax delayed by three.

The deferred taxes on business households and individuals will be around VND1.3 trillion and land tax will be worth VND4.4 trillion.

The ministry said the taxes and fees would be paid by the end of this year, and so the government's 2021 revenues would not be affected.

http://bizhub.vn/news/experts-approve-delaying-corporate-taxes-amid-covid-difficulties_322584.html

Vietnam striving to promote sustainable marine aquaculture development

05/MAR/2020 INTELLASIA| VNA

Vietnam is to have 280,000 ha of marine aquaculture area and 10.5 million cubic metres of farming cages by 2025, according to the Ministry of Agriculture and Rural Development (MARD).

Annual marine aquaculture output and export turnover are expected to reach 850,000 tonnes and between 800 million and 1 billion USD, the ministry said.

The MARD has taken a series of measures to promote sustainable marine aquaculture in coastal areas nationwide, towards turning the sector into a key part of the country's maritime economy by 2045.

Deputy minister of Agriculture and Rural Development Phung Duc Tien said agencies have coordinated with coastal localities to review and build a plan for aquaculture development in Vietnam to 2030 with a vision to 2045.

The plan will focus on improving the output, quality, and economic efficiency of marine aquaculture, protecting the environment and adapting to climate change, restructuring production activities, and building value chains for each group of products, with industrial marine aquaculture to play a key role.

Incentive policies will be available to offshore industrial aquaculture enterprises, to encourage them to invest.

Attention will be paid to creating business communities in offshore aquaculture in major coastal cities and provinces, including Quang Ninh, Hai Phong, Binh Dinh, Phu Yen, Khanh Hoa, Ninh Thuan, Binh Thuan, Ba Ria Vung Tau, Ca Mau, and Kien Giang, as well as others with substantial potential.

Marine aquaculture and aquatic processing centres, logistics services, and fisheries in-

Vietnam to prepare for solar power boom

infrastructure will be developed in north-central and central coastal localities from Thanh Hoa to Binh Thuan.

Priority will be given to developing models of multi-species farming and in supporting establishments shifting away from traditional models to industrial models.

The application of high technologies, international cooperation in technology transfer, and investment attraction in the field will be also promoted, while relevant research projects will be supported.

Vietnam aims to have an advanced marine farming industry with sustainable development and systematic management by 2045. The country is set to raise annual output and export value to 3 million tonnes and over 10 billion USD./.

<https://en.vietnamplus.vn/vietnam-striving-to-promote-sustainable-marine-aquaculture-development/197086.vnp>

05/MAR/2020 INTELLASIA| VIETNAMNET

The proportion of solar and wind power projects in the entire national electricity system is expected to increase, requiring thorough preparation because of the instability of these power sources, experts have said.

The draft of the eighth national power development plan shows major changes in power source development from now to 2030 compared with the seventh plan.

Under the draft, Vietnam will develop wind and solar power on a large scale, with the capacity of wind power increasing by three times and solar power by two times compared with the adjusted seventh plan.

Vietnam will only continue the projects under construction or under investment promotion, to be operational in the 2021-2025 period.

The coal-fired thermopower proportion will decrease gradually from 34 percent in 2020 to 27 percent by 2030.

The Ministry of Investment and Trade wants to strongly develop gas-fired power with capacity increasing from 7GW in 2020 to 13.5GW by 2025 and 28-33GW by 2030 and the proportion of gas-fired power increasing from 15 percent in 2020 to 21-23 percent by 2030.

The wind power capacity would rise from 600MW in 2020 to 11,000-12,000MW by 2025 and 18,000-19,000MW by 2030. Wind power would account for 11 percent of total installation capacity by 2025 and 13 percent by 2030.

As for solar power, the capacity would increase from 17,000MW in 2020-2025 to 19,000-20,000MW by 2030. The proportion of solar power would be 17 percent of total installation capacity by 2025 and 14 percent by 2030.

Wind and solar power would also be strongly developed in 2031-2045, accounting for 42 percent by 2045.

However, because of the high uncertainty, the strong development of these power sources will have a major impact on the national electricity system.

The ministry believes that as the electricity generation capacity of the sources of power can change rapidly, wind power will cause considerable fluctuations to the electricity system when the wind changes or stops.

If other sources of power cannot replace wind power at that time, or existing power sources cannot be adjusted quickly to offset the capacity decrease, the electricity system will fall into imbalance in terms of supply sources and additional charges will occur. In the worst scenario, this may cause electricity outage on a large scale.

Warning of the problem, the ministry said it is necessary to develop other backup power sources which will be mobilised when wind and solar power sources fail. The capacity of the sources to be used needs to be nearly equal to the total capacity of wind and solar power sources which provide electricity to the national grid.

The ministry said it wants to encourage the development of rooftop solar power systems rather than large-scale solar power farms with the capacity of tens or hundreds of MW.

<https://vietnamnet.vn/en/business/vietnam-to-prepare-for-solar-power-boom-716670.html>

Hanoi ready to restart socio-economic activities with Covid-19 under control: Mayor

05/MAR/2020 INTELLASIA| HANOI TIMES

Hanoi's mayor called for local governments to provide support for businesses affected by the pandemic, and review current existing supporting programmes to ensure greater efficiency.

Hanoi is ready to restart and accelerate socio-economic activities as the Covid-19 situation in the city has been put under control.

"The priority in March is to strictly comply with anti-Covid-19 measures and boost socio-economic development," Ngoc Anh said. Chair of the Hanoi People's Committee Chu Ngoc Anh gave the remarks at the city's monthly meeting on March 4.

Among measures to boost the local economy, the Hanoi's mayor requested greater efficiency in global integration to boost exports, while adopting a more selective approach in attracting high quality foreign direct investment (FDI).

"Hanoi aims to create a favourable business environment to further attract investment capital, along with more support to spur the growth of the private sector and public investment," he noted.

As public investment continues to be a key solution to aid economic recovery this year, Ngoc Anh urged local authorities to closely monitor the progress of public projects and those financed by ODA funds.

Ngoc Anh called for local governments to provide support for businesses affected by the pandemic, and review current existing supporting programmes to ensure greater efficiency.

Hanoi's economic performance in the first two months stayed positive with the Index of Industrial Production (IIP) expanding by 7.5 percent year-on-year, higher than the 5.8 percent rate recorded in the same period last year.

The city's trade turnover also witnessed strong recovery as exports in the two-month period reached \$2.3 billion, up 12.7 percent year-on-year, staying in stark contrast with a contraction of 19 percent in first two months of last year.

Foreign direct investment (FDI) commitments to Hanoi in the year to February 23 hit \$58.9 million. The investors registered to pour \$14 million into 28 fresh projects, and an additional \$4.1 million into nine existing projects. They have also injected \$40.8 million to acquire stakes or contribute capital in local companies.

This year, Hanoi targets an economic growth of 7.5-8%, a strong rebound from the 3.98 percent in 2020.

<http://hanoitimes.vn/hanoi-prepares-to-restart-socio-economic-activities-with-covid-19-under-control-mayor-316545.html>

Vietnam needs to build hub airports

05/MAR/2020 INTELLASIA| HANOI TIMES

Vietnam's is considered as one of the fastest growing aviation markets in Asia.

Vietnam should invest in hub airports in terms of scale and capacity instead of massively building ones, according to the Civil Aviation Authority of Vietnam (CAAV)'s proposal on its draft plan on the development of the national airport system by 2030, with a vision to 2050.

Deputy minister of Transport Le Anh Tuan said some airports are currently operating beyond the designed capacity, many of their items have not been upgraded, especially, no airport has been qualified in the international large hub category.

Tuan was speaking at a conference held in Hanoi on March 3, which aimed to seek ideas for national airport system development.

According to the draft plan, Vietnam will have 26 airports by 2030 and 30 ones by 2050, half of them will be international airports.

With the strong growth in the aviation industry in the future, the plan on the national airport system needs being studied carefully to suit the current situation and the socio-economic development of the country, according to local experts.

Localities proposed massively building airports

According to the CAAV, some provinces have recently wanted to turn their provincial airport into international airport. However, airport is a necessary but not a sufficient condition for the tourist development and investment attraction of a province. Other

infrastructures are more essential to attract private investment as well as tourist arrivals.

Phan Xuan Dung, Chair of the Vietnam Union of Science and Technology Associations, suggested that the plan on the national airport system development should be based on the projection of passenger number, the overall transport network development as well as the air routes system and the development plan of each airport.

At the same time, the aviation planning should take into account not only the probable economic efficiency, but also the compatibility between civil and military aviation, ensuring aviation security and national defence, Dung added.

Assoc. Dr Tran Kim Chung, deputy director of the Central Institute for Economic Management, said that forecasting the international and domestic developments in the 2021-2030 period is very important and necessary for the national airport planning. In addition, it is necessary to identify competitors and partners among the airports of other countries in the region, then, consider domestic economic scenarios to have plans for the development of both infrastructure development and airports, Chung said.

Resources and infrastructure connections

Deputy minister of Transport Le Anh Tuan said that the plan should have a mechanism to attract resources in order to achieve the goals.

Dr Chung recommended that the mobilisation of non-state economic sectors to invest in airport construction should be seen as a policy and a solution.

Dr Tran Quang Chau, Chair of the Vietnam Association on Aviation Science and Technology, affirmed that for the effective mobilisation of resources in the way of involving private investment in construction and operation of airports, a transparent policy is a must. "The policy should ensure a harmonisation of interests among investors, the state and the people so that the investor would trust in the policy and pour money in investing and operating airports," he said.

In addition, Dr Chung also raised the issue of transport connectivity of infrastructures in the planning of the airport development. "Airport planning must be considered as an input to other plans and vice-versa," he said.

<http://hanoitimes.vn/vietnam-needs-to-build-hub-airports-316537.html>

HCM City to meet yearly budget revenue targets

05/MAR/2020 INTELLASIA| VNA

HCM City is likely to meet the year's target for budget revenue of 365 trillion VND (15.86 billion USD) assigned by the central government, a city official said at a recent online government meeting.

Vo Van Hoan, vice Chair of the city People's Committee, said in the first two months, on average the city collected 2.9 trillion VND each day, which was higher than the average daily revenue.

In January, the city collected 40 trillion VND, up 2.9 percent year-on-year, he added. To date it has collected 74,500 billion VND, accounting for more than 20 percent of the year's target, up 10.5 percent year-on-year.

The Tax Department aims to collect at least 25 percent of the yearly budget revenue target in the first quarter.

The city's retail sales of goods and services increased by 4.7 percent, while industrial production went up 6 percent in the first two months.

The city's exports reached 8 billion USD, a rise of 25 percent year-on-year (three major exports with increased revenues are fertilisers, plastic materials and auto spare parts). More than 3,800 enterprises resumed operation in the first two months (up 3 percent year-on-year). Some 700 enterprises completed dissolution procedures in the period (down 14.5 percent year-on-year).

However, the service sector, especially tourism and accommodations, which accounts for more than 60 percent of the city's total budget revenue, has been hit hardest.

Tourism revenues decreased by 70 percent with accommodation services dropping by 14 percent. The outbreak has caused a significant decline in international visitors to the country, according to Hoan.

For pandemic prevention, the city has contained the infection hotspot at Tan Son Nhat

international airport with 36 cases recorded since the end of January. The city has gone 20 days without any locally transmitted infections, he said.

Some non-essential services have gradually reopened. Students returned to school on March 1.

The city has ordered individuals and organisations to continue to strictly carry out precautions against the virus. "The city is always ready for the worst pandemic scenario," he said.

Regarding tasks for 2021, the city will continue to complete its dual goal of economic development and protection against the pandemic, according to Hoan.

It plans to develop more solutions to support enterprises and residents affected by the COVID-19 pandemic as part of its effort to revive business activities.

The city will also promote domestic tourism and strengthen linkages with other provinces.

It will continue to promote e-commerce, online businesses, non-cash payments for a digital economy, start-up creation and technological innovation, and commercialisation of research products./.

<https://en.vietnamplus.vn/hcm-city-to-meet-yearly-budget-revenue-targets/197070.vnp>

Planning key to effective performance of industrial parks in Hanoi

05/MAR/2020 INTELLASIA| VNA

Hanoi authorities have requested that the management board of local industrial parks (IPs) inspect all IPs and make appropriate development recommendations in line with the capital's planning, Nguyen Manh Quyen, vice Chair of the municipal People's Committee, has said.

Planning is the top priority that determines the effective development of these parks, he underscored.

The city is home to nine operating industrial parks (IPs), which together cover 1,369 ha and post an occupancy rate of 95 percent. There are also two other IPs undergoing infrastructure adjustments, four calling for investment, and one that has had its investment licence revoked.

IPs in the capital attracted a total of about 118.2 million USD in investment last year, fulfilling just 30 percent of the target and representing only 34 percent of the figure recorded in 2019.

2020 revenue amounted to 7.6 billion USD, an annual decline of 2 percent. In the first two months of 2021, they reeled in over 1.2 billion USD, and paid 35.5 million USD to the State budget.

According to Tran Anh Tuan, deputy head of the management board, the volume of investment has remained low and there are no large-scale or high-tech projects.

Insiders have attributed issues to a lack of attention to industrial development, overlapping inspections, and red tape, among other matters./.

<https://en.vietnamplus.vn/planning-key-to-effective-performance-of-industrial-parks-in-hanoi/197092.vnp>

HCM City implements seaport fee collection plan

05/MAR/2020 INTELLASIA| THE SAIGON TIMES

The government of HCM City has executed a resolution on introducing levels of fees for using infrastructure facilities and public services at seaport terminals in the city, reported Phap Luat Online.

The municipal government asked the relevant agencies to carry out the resolution effectively within their authority.

Earlier, the HCM City People's Council passed a plan of the HCM City People's Committee on collecting infrastructure fees at seaports, starting from July 1 this year.

According to the plan, the lowest fee is VND15,000 per tonne and the highest is VND4.4 million for a 40-foot container.

Revenue from the seaport infrastructure fees will be contributed to the State budget. Fee collectors will take a maximum 1.5 percent of the total revenue.

The seaport fee collection is aimed at creating a budget to develop the road system

Bac Lieu attracting foreign investment for ethnic minority areas

near seaports, to ease traffic congestion and to enhance the goods transport capacity, contributing to the city's development.

<https://english.thesaigontimes.vn/80788/hcmc-implements-seaport-fee-collection-plan.html>

05/MAR/2020 INTELLASIA| VNA

The Mekong Delta province of Bac Lieu is attracting foreign investment and experience to support the socio-economic development of ethnic minorities. By 2025, the province will draw official development assistance (ODA) and preferential loans, especially non-refundable aid, for socio-economic development in ethnic minority areas based on demand and potential and on the principle of preserving and upholding traditional cultural identities and protecting the environment.

It will give priority to dealing with shortages of land, housing, and water for daily use among ethnic minority households; and developing agro-forestry and investing in key infrastructure, education, scientific research and technological transfer in production connectivity models via value chains.

Further attention will also be paid to healthcare, child malnutrition prevention, gender equality, and addressing urgent problems faced by women and children.

Vice Chair of the provincial People's Committee Phan Thanh Duy said the province will work closely with the Central Steering Committee on the National Target Programme on Socio-Economic Development in Ethnic Minority Areas, the Coordinating Office of the programme, and ministries and agencies to identify demand for international investment and ensure openness and transparency.

Priority will be given in site clearance, vocational training, the implementation of signed international agreements, conventions and contracts, and the expansion of international cooperation, to seek new partners.

Each year, the province will add more capital to build projects, hold exchanges with stakeholders, and raise funds from domestic and foreign sponsors for the effort./.

<https://en.vietnamplus.vn/bac-lieu-attracting-foreign-investment-for-ethnic-minority-areas/197088.vnp>

M&A pushing ahead real estate market

05/MAR/2020 INTELLASIA| VIR

The long process of project approval from competent government agencies and the serious impact of COVID-19 have helped mergers and acquisitions in real estate sector become more active.

A recent report released by VNDirect Securities Corporation stated that mergers and acquisitions (M&A) deals, especially in transferring part of large-scale real estate projects, were considered one of the fastest solutions for foreign developers when they want to jump into the Vietnamese real estate market, as well as for the domestic developers expanding their land fund and investment portfolios.

This report also cited that some projects from giant developers are currently in the negotiation process with most expected to be completed this year.

"Thanks to the improvement of the legal system in the Law on Investment, a range of deals will be done within this year with total value up to more than \$1 billion," the report cited.

According to Tran Khanh Hien, deputy director of the Research at VNDirect, the real estate market in 2021 will be step-by-step resumed at its active level, based on the economic recovery, rising housing demand, and increased supply due to a range of projects that will be allowed to continue after long delays to review procedures.

The Gem Riverside, funded by domestic developers Dat Xanh Group, and the Eco-smart city at Thu Thiem from South Korea's Lotte Group, are among those looking to be kicked forward.

Developers cited that M&A deals in real estate are a motivation for developers to be resumed after a long time of being impacted by the ongoing pandemic.

Nguyen Thai Phien, senior financial director at Novaland Group, said that the corporation is based on M&A deals in order to develop its land fund and business for long-

term development.

Novaland started collecting land in 2005 via M&As and currently boasts more than 700 hectares in the east of HCM City, 700ha in Dong Nai province, and more than 2,000ha in Phan Thiet of Binh Thuan and Ba Ria-Vung Tau provinces.

Asian activity

Masataka Sam Yoshida, head of the Cross-border Division of RECOF Corporation, said that the trend of Japanese companies into Vietnam is increasing.

The Vietnamese real estate market is presented with a range of large-scale Japanese developers such as Mitsubishi, Nomura Real Estate, Daiwa House Industry, Sumitomo Forestry, Creed Group, Samty Asia Investments, Kajima Corporation, and more.

Most of the sectors in Japan, according to Yoshida, have developed to its highest level so they need to find new markets to expand outside of Japan.

The second factor is the M&A growth strategy supported by the abundant accumulated money over the past 20 years, reaching trillions of US dollars.

"Japanese businesses are still looking to Vietnam in the process of searching and expanding markets, taking advantage of the young population. The interest from Japanese investors in Vietnam is huge, even during the pandemic," Yoshida commented.

"Once travel restrictions are lifted, a huge wave of Japanese companies waiting to take up investment procedures will appear very soon," he added.

Similarly, a representative of the Korean Business Association in Vietnam also said that businesses there are very interested in the consumer goods, food and beverage, and retail industries.

"In addition, real estate is a field of large profit margins, long-term efficiency, and is always a channel to attract investment to South Korean investors," the representative said.

Increasing the heat

Elsewhere, housing land and industrial real estate are expected to stir up the M&A market in the next 12 months.

Kim Ngoc, director of Valuation and Advisory Services at Colliers International, cited that the amendments and updates in the laws in investment, securities, and enterprises will make M&A activities more active after many inappropriate regulations have been removed.

"Combined with Vietnam's achievements in 2020 of successfully controlling the pandemic and achieving the highest possible growth rate, there are many reasons to believe that M&A activities will recover quickly. Sectors that can attract more M&A are real estate, retail, and consumer goods," she said.

Newly-signed trade agreements and the movement of many giant manufacturers and multinational groups are playing a significant role in the M&A trend moving forward. Apple recently chose Vietnam as its first base for manufacturing the iPad and MacBook after China, demonstrating that high-quality investment flow is driving into Vietnam and helping realise deals in industrial properties, logistics, and support services. One of the driving forces for such deals in Vietnam comes from foreign companies which withdrew from China to avoid risks related to US-China trade tensions. Notable destinations for these companies have included Indonesia, Spain, and Finland, as well as Vietnam.

The market in 2021 and beyond is also expected to blossom in city outskirts and satellite towns which are well connected with Hanoi and HCM City.

In the north, hotspots are projected to be the likes of Bac Giang, Bac Ninh, Vinh Phuc, and Hai Phong when in the south, Binh Duong, Dong Nai and Long An are already on the radar of investors.

Vietnam ranked second out of 50 economies in the latest M&A Investment Index by Euromonitor, which reflects the expected level of investment, activity, and attractiveness of the global M&A market amid macroeconomic and financial shocks for 2020-2021.

With COVID-19 still complicated in many countries, most European governments are lowering their basic interest rates to reduce borrowing costs. These factors could create

Mixed fortunes for seafood sector in unpredictable year

good opportunities for businesses to expand operations in foreign countries through the M&A channel, Euromonitor said.

The Institute for Corporate Investment, Mergers and Acquisitions expects that M&A in Vietnam will recover in 2021-2022, back to around \$4.5-5 billion in 2021 and event up to \$7 billion in 2022. Real estate will remain the second-hottest sector in M&A, behind finance and banking.

<https://vietnamnet.vn/en/business/m-a-pushing-ahead-real-estate-market-716373.html>

05/MAR/2020 INTELLASIA| VIR

Last year has been a year with ups and downs for the seafood sector. While the consumption and export of basa fish stagnated mostly due to the global health crisis, shrimp farmers still saw a successful 2020. With an array of newly-effective free trade agreements, local seafood providers are now looking towards a future of boosted sales and exports.

According to the Vietnam Association of Seafood Exporters and Producers (VASEP), by the end of 2020, the total value of Vietnam's seafood exports reached \$8.41 billion, down 1.9 per cent on year.

Of these, exports of basa fish was \$1.49 billion, down by 26 per cent, and shrimp accounted for \$3.73 billion, up 11 per cent on year.

Basa fish farmers in Vietnam, China, and India all have been affected to different degrees by the COVID-19 pandemic. Prices for basa from the Mekong Delta region fell below VND20,000 (\$0.90) per kilogramme and its export value to some major markets like China, Hong Kong, the US, Asean, and the EU decreased compared to the previous year.

However, thanks to the government's pandemic prevention efforts, Vietnam's shrimp production and export activities have stayed competitive against rival suppliers.

Shrimp businesses tried to maintain production, flexibly adjust to the market, and take advantage of the given opportunities, and so export value to major markets grew positively, such as to the US (up 33 per cent), the EU (up 6 per cent), and South Korea (up 3 per cent), compared to 2019.

According to data from VietstockFinance, as of the beginning of February, there are 14 listed seafood enterprises that have generated nearly VND40 trillion (\$1.7 billion) in revenue and more than VND1.7 trillion (\$73 million) in net profit in 2020, down 10 and 48 per cent, respectively, compared to 2019.

Cuu Long An Giang Seafood JSC (ACL) saw the strongest net profit in 2020 yet also the strongest drop in the industry, down 80 per cent from the previous year. Compared to its business plan, the company only achieved 71 per cent of its revenue goal and 41 per cent of its targeted after-tax profit.

Similarly, due to the pandemic, the sales price and revenues of basa supplier Nam Viet (ANV) decreased simultaneously. The enterprise's net profit in 2020 slid down to VND202 billion (\$8.8 million). Last year, the company set targets relatively low compared to 2019, so the business exceeded its revenue and pre-tax profit plan by 15 and 20 per cent respectively, positioning Nam Viet as the only Vietnamese basa supplier exceeding initial targets.

For the same reason, leading basa processor Vinh Hoan Corporation (VHC) announced that 2020 net profits went down to 40 per cent, just reaching VND705 billion (\$30.6 million). Compared to the plan, VHC only achieved 82 per cent of its revenue plan and 66 per cent of the after-tax profit target in 2020.

More dramatically, for the second year in a row, the accumulated loss of Ngo Quyen Processing Export JSC (NGC) amounted to VND31 billion (\$1.3 million) as of December 31. According to the company, the reason is that its capital imbalance has not been overcome, causing a shortage in working capital for production.

In addition, due to the heavy influence of the pandemic, the company's trade with foreign customers was interrupted, with no export orders coming in. The production plans for both domestic and foreign customers have been cancelled, thus the company

failed to meet its goal of gradually bringing production back on previous levels.

Blooming shrimp industry

Contrary to the gloomy atmosphere of the basa industry, shrimp businesses recorded an increase in revenue. Although its net profit reached a similar level of the previous year with nearly VND226 billion (\$9.8 million), 2020 revenues of Sao Ta Food (FMC) reached VND4.4 trillion (\$191 million) a record high after 15 years of listing on the stock exchange.

According to Ho Quoc Luc, president of food processing group FMC, the pandemic has created good opportunities for Vietnamese shrimp farmers. Production of safely farmed shrimp increased compared to 2019, even if just by a mere one-digit figure. Meanwhile, other major shrimp farming countries were severely affected by COVID-19 and were seeing interrupted or broken supply chains in the likes of India, Ecuador, and Indonesia.

Along with shrimp, Camimex Group (CMX) is the only enterprise representing the seafood industry to report profit growth compared to the previous year. Net revenue and profit increased by 49 per cent and 19 per cent, respectively, over the same period. This is a positive result in the face of an uncontained pandemic which has changed the demand for imports in major markets and economic drivers.

The increased demand for shrimp at home is also a great opportunity for deeply processed shrimp products compared to fresh, raw, and frozen products.

As a result, while the total value of black tiger shrimp exports decreased by 14 per cent, processed tiger shrimp products alone rose by 34 per cent. The export value of processed vannamei shrimp also increased by 21 per cent.

According to Luc of FMC, consumer demand is increasingly high, and processing is becoming more intensive, geographically concentrated, vertically integrated, and linked with global supply chains.

"These changes pose new food safety challenges to all the parties in the seafood business. Thus we have determined our main direction to be processed products with high value content and food safety. Thanks to this direction, our products are now available in most high-level markets," he said.

Minh Phu-Hau Giang Seafood JSC, a member of Minh Phu Seafood Corporation, also shipped over 22,000 tonnes of processed shrimp worth \$240 million to the US, Europe, Australia, Canada, Japan, and South Korea, thereby contributing to its corporation's overall revenue of \$580 million from shrimp exports in 2020. This year, Minh Phu targets to export over 70,000 tonnes of shrimp, with an estimated revenue of \$790 million. The Ministry of Agriculture and Rural Development has asked if shrimp exporters could strengthen cooperation with local companies to diversify markets, continue to increase the share of value-added products, and control the quality of raw material sources, as well as ensure traceability of origin.

FTAs boost growth

According to VASEP, the fishery sector has a lot of opportunities from new-generation free trade agreements (FTA) such as the Regional Comprehensive Economic Partnership (RCEP) and the EU-Vietnam FTA. These FTAs have a good impact on Vietnam's seafood exports and contribute to improving the competitiveness in regional and global markets.

It is forecasted that Vietnam's seafood export in 2021 will increase by 10 per cent, reaching over \$9.4 billion. In which, shrimp export may grow the strongest at up to 15 per cent, reaching \$4.4 billion. Meanwhile, the growth of basa fish farming is expected to increase by 5 per cent, reaching about \$1.6 billion.

Tran Minh Canh, CFO of Nam Viet Corp (ANV), also agreed that the EVFTA and the RCEP will contribute to boosting the growth of Vietnamese exports due to the tax exemptions for some industries.

The RCEP allows its members to pool originating materials across the bloc, which is an advantage over the current FTA with Asean members, and is helping Vietnam to take advantage of the diversified input supplies throughout the bloc. The EVFTA, on the other hand, allows the tax for frozen basa to be gradually reduced to zero according to

Hanoi targets to have 900 enterprises in supporting industries this year

a 4-year schedule.

According to Ho Quoc Luc, the EVFTA has a huge impact on shrimp products and presents a golden opportunity for businesses that have prepared well.

On the contrary, Luc also forecasts several challenges that businesses may experience in 2021. The internal challenge for shrimp farmers is that authorities remain rather slow numbering and coding farming areas, ponds, as well as provide more open mechanisms to create large-scale farms that meet the standards required by export markets.

However, Vietnamese shrimp has decent opportunities to penetrate high-end consumption systems with good prices. Meanwhile, information about supply and demand of basa is a prerequisite for its success or failure.

<https://www.vir.com.vn/mixed-fortunes-for-seafood-sector-in-unpredictable-year-82928.html>

05/MAR/2020 INTELLASIA| HANOI TIMES

One third of such number would be able to take part in global supply chains of multinationals in Vietnam.

In 2021, Hanoi targets to have at least 900 enterprises operating in supporting industries, 300 of which would have production network of international standards and are capable of taking part in global supply chains of multinationals in Vietnam.

The objective is part of the action plan issued by the Hanoi People's Committee on March 1, detailing measures to boost the development of supporting industries in the city in 2021.

By the end of this year, industrial production value from the supporting industries is expected to account for 16 percent of the total value in Hanoi's processing and manufacturing sector, while the development index of supporting industries would expand by 11 percent annually.

Hanoi aims to promote supporting industries based on the city's growth advantages and in line with the development orientation of its industrial sectors, focusing on three key fields, including manufacturing of parts and accessories, supporting industries for hi-tech industrial sectors and textile and footwear.

To realise these targets, the municipal People's Committee would support local firms in the supporting industries to become suppliers for domestic and international clients, as well as attracting foreign investment capital into the supporting industries.

Hanoi also plans to assist enterprises in applying modern corporate governance to meet requirements of global supply chains, promoting R&D activities, technology transfer and upgrading new technologies in the production of new parts, materials and resources.

<http://hanoitimes.vn/hanoi-targets-to-have-900-enterprises-in-supporting-industries-this-year-316499.html>

Optimistic about Property Market Growth in 2021

05/MAR/2020 INTELLASIA| VIETNAM BUSINESS FORUM

Vietnam currently has a lot of advantages to boost the real estate market in the post-COVID era, said David Jackson, CEO of Colliers International Vietnam, a global real estate investment and trading group.

Vietnam's advantages from the trade war between China and the United States, its free trade agreements (FTAs) and its ability to control the epidemic outbreak are all good factors to attract supply chains to Vietnam. This has motivated investors, manufacturers, and logistics and warehousing operators in the region and the world to increase their confidence in Vietnam, despite existing difficulties in 2020.

"Demand from international investors will not decrease and many financial institutions will still focus on investment in Vietnam in 2021. Industrial property, industrial zones and logistics are catching increasing attention from international investors as they are seeing Vietnam as a safe and well-regulated country with a large population expected to bring great potential and increasing consumer demand. Therefore, the industrial property market in Vietnam will be the most dynamic segment by 2021," he noted.

Besides the industrial property segment, the office segment is also expected to keep growing steadily in 2021. Right from the beginning of the year, this market has been very active, largely driven by customers in Vietnam. Many South Korean and Japanese investors and businesses are interested in the Grade A office segment. Currently, many investors and companies are actively carrying out their projects and supplying high-class offices in major markets like Hanoi and HCM City. According to Cushman & Wakefield data, the emergence of the office market in Thu Duc City in the last three months of 2020 showed that this market will grow in the future. In the next five years, Thu Duc City is forecast to have an additional 390,000 square meters of office space of Grade A and Grade B, most of which will be in Thu Thiem New Urban Area.

Hoang Nguyet Minh, director of Commercial Lease, Savills Hanoi, said many companies have flexed their working style and are renting offices economically and conveniently, with a focus on developing shared areas instead of having clear divisions. When renting an office, they tend to choose sustainable projects with carbon neutrality standards being a priority. Developers will have to incur additional costs to meet sustainability standards, but these "green" buildings will bring countless other benefits to all stakeholders. It is more likely that new environmental, social and governance (ESG) standards will begin to have a stronger impact on the real estate market, while new projects will focus on sustainability.

Due to the effects of the trade war and the COVID-19 pandemic, some large-scale multinational corporations (MNCs) in Asia are shifting their production facilities out of China to other countries or relocating part of their production to other countries, called "China + 1" strategy, to mitigate risks. The China + 1 trend will result in increased demand for industrial real estate, logistics services and offices in such markets as Japan (especially around Tokyo), Taiwan (China), India and Vietnam. Moreover, many governments are also encouraging real estate leasing businesses to adopt the "China + 1" strategy with new regulations, tax and manufacturing incentives.

<https://vccinews.com/news/43214/optimistic-about-property-market-growth-in-2021.html>

Stability sought for Thu Duc city prices

05/MAR/2020 INTELLASIA| VIR

The just-established Thu Duc city is already witnessing skyrocketing property prices, with hikes of around 30 per cent reminding local authorities of the need for special policies to manage the market.

Nguyen Minh Tuan, a resident in Phuoc Long commune of the former District 9, was interested in a land plot in Dong Tang Long New Residential Area. However, this plot's price has increased by more than 40 per cent compared to mid-2019 when Thu Duc city was yet in the pipeline.

"The prices in this area have increased a lot; however, local landlords still predict that the prices will even further increase towards the end of the year. That is why buyers will certainly make a profit if they buy land plots right now," Tuan told VIR. Prices in the area could sit anywhere at VND30-40 million (\$1,300-1,750) per square metre depending on the location in 2019, but are now usually around VND50-70 million (\$2,200-3,000) per sq.m.

In Tam Da street in the former District 9, a 50-sq.m land plot is now quoted at \$3,000 against the \$1,750 at the end of 2020.

This January, when Thu Duc city was officially established on an area spanning across the old districts 2, 9, and Thu Duc, apartment prices at the King Crown Infinity a project developed by BCG Land located soared to over VND95 million (\$4,100) per sq.m the highest valuation ever for an apartment in the area.

A general trend of appreciation was also observed in land plots and houses in the area of the former District 9 with outstanding increases of 20-30 per cent compared to mid-2020.

The most buoyant area was Truong Tho commune, the centre of Thu Duc city, where property prices are quoted at more than VND160 million (\$7,000) per sq.m.

This 500-hectare area is close to major transport facilities such as Metro line No.1 and

Hanoi Expressway, and is planned to become a new residential area.

According to Nguyen Huong, general director of Dai Phuc Land, the price increases in areas with good planning and improved infrastructure are nothing extraordinary. Mirae Asset Securities also ascribed the recent surge in Thu Duc's prices to the continuous infrastructure developments.

Of the total VND350 trillion (\$15.2 billion) spent on infrastructure in HCM City since 2010, as much as 70 per cent has gone into what is now called Thu Duc city.

"These price hikes take into consideration the market's expectations for the future of the area in the next 10 or even 20 years," Huong said.

Concerns rising

Skyrocketing real estate prices steadily exceeding realistic valuations are concerning interested parties, and could cause untenable development trends in the newly established city.

Huong from Dai Phuc Land also warned of realtors or brokerage agencies that are potentially driving prices higher to increase profits on properties in the area.

"Buyers must carefully consider all aspects of a project, including location, nearby infrastructure, facilities, and construction progress," Huong added.

Right after official establishment of Thu Duc city, HCM City Party Secretary Nguyen Van Nen warned of prices spiralling out of control, requesting local authorities to halt all brokerage activities which could destabilise the market.

The party secretary also suggested increasing the proportion of affordable and social housing, as well as publishing information related to housing projects so that buyers can make fully informed decisions.

According to HCM City People's Committee, Thu Duc city will be developed in three phases. The first lasts from 2020 to 2022 with the target of creating land funds and setting up usage plans, while the second phase to 2030 will see the approval of projects in transport improvement, digital infrastructure, and urban design. Developers will carry out projects based on these plans from 2030 to 2040 in the final phase.

According to Phan Cong Chanh, a freelance real estate consultant, the formation of the city will take a long time, during which urban planning might change and adjustments could take place.

"Therefore, if land prices rise too quickly, they could pose many risks for investors and disrupt capital mobilisation for projects in the area," Chanh said. "Buyers and sellers are all very excited. However, land prices in different areas could be subject to different dynamics and could even decrease with time, depending on factors like planning." In addition, climbing land prices would also make it difficult to attract investments in Thu Duc city later by affecting business plans and reducing profitability for those buying for investment purposes.

According to Colliers International, more than 40,000 apartment units will be finished and handed over to customers in HCM City in the next year. Of these, Thu Duc occupies roughly 76 per cent, positioned mainly in the mid- and high-end apartment segments.

Special polices required

Thu Duc city, according to experts, should enjoy its specific jurisdiction to better carry out HCM City's specific mechanisms, with the new administrative unit set to be more active and innovative to fulfil the assigned establishment goals.

"Since a merger of small administrative units into a larger one means a jurisdiction upgrade, it is nonsensical for such a city with over one million residents and a surface area of more than 210 square kilometres to merely have the same jurisdiction as District 4 with 200,000 residents on an area of 4.2 sq.km," said major general Phan Anh Minh, former deputy director of HCM City Police Department.

"The new jurisdiction should allow Thu Duc city to carry out special policies, preferential methods, and to simplify business forming procedures to create a friendlier environment for startup activities and the innovative economy. This could, in turn, transform the city into the startup centre of the whole country," Minh said.

Proper policies for financial promotion and tax exemption could also be considered to

boost the growth of high-tech and scientific parks and automatic manufacturing centres.

"The customs-related procedures should be simplified to better exploit the strengths of Cat Lai Port. The use of traffic facilities, infrastructure, and land should be boosted to build an innovative centre inside Thu Duc city," Minh added.

Kevin Hawkins Partner, DFDL

The establishment of a city within a city is an unprecedented development in Vietnam. Long-term advantages can be achieved through improvements in digital governance, sustainability, and infrastructure, as well as through the creation of opportunities in investment and real estate. Enabling the local population and businesses to reap such anticipated benefits is of paramount importance.

Notably, the accumulation of financial, educational, and alternative energy high-tech hubs along with the existence of industrial parks in neighbouring areas creates favourable conditions towards sustainable development and the provision of state-of-the-art services and products. This could create an innovative ecosystem capable of attracting top talents, enhancing professional and educational opportunities for local youth, and supporting Vietnam's Industry 4.0 ambitions.

Peter Hong general secretary, Association of Vietnamese Entrepreneurs Abroad

Every year overseas Vietnamese send more than \$5 billion of remittances to HCM City, and this is a remarkable financial source for it to invest in its development. Many overseas Vietnamese are keen on contributing to the country, but they do not know how to do it in detail. The city authorities can appeal to these businesspeople to invest in infrastructure and projects.

Transforming Thu Duc into a successful urban project is not just a matter of vision, planning, and district merging but also of an appropriate implementation roadmap and specific mechanisms in socioeconomic management, urban areas, and investment attraction.

With such an implementation strategy, it is necessary to determine the overall investment infrastructure and calculate total capital needs. From there, the plans to mobilise investment capital for each project should be determined.

<https://www.vir.com.vn/stability-sought-for-thu-duc-city-prices-82921.html>

Vietnam is an attractive destination for Swiss investors

05/MAR/2020 INTELLASIA| VNS

Vietnam is a highly attractive destination for investment because of its unique position to capitalise on the global chain shift, said Vietnamese Ambassador to Switzerland Le Linh Lan.

Lan told the webinar "Market Focus Vietnam" on Tuesday: "In the pandemic, Vietnam's economy has proved resilient with a positive growth of 2.91 per cent in 2020 while the rest of the world plunged into a deep recession."

The webinar was organised by Swiss Vietnamese Business Gateway (SVBG) and the Geneva Chamber of Commerce, Industry and Services (CCIG) was also the first official launch of SVBG with Swiss partners and Vietnamese representatives.

Lan mentioned the government's successful control of the pandemic and effective measures for economic recovery and international economic integration last year contributed to the attraction.

Last year, Vietnam completed the EU-Vietnam Free Trade Agreement (EVFTA), concluded bilateral FTA negotiations with the UK (UKVFTA), and agreed to the Regional Comprehensive Economic Partnership (RCEP).

Lan said: "With new-generation FTAs such as CPTPP, EVFTA, RCEP, Vietnam has become one of the region's fastest-growing and internationally engaged economies, at the centre of a network of 17 FTAs and economic and trade cooperation frameworks with the world's leading economic hubs."

According to the Economist Intelligence Unit's recent report, Vietnam has emerged as an attractive foreign direct investment destination in Asia ahead of China and India. The report suggests factors that make Vietnam more attractive destinations are the incentives for international firms for setting up units to manufacture hi-tech products,

the pool of low-cost workers, and the proliferation of free trade agreements, said Lan. She added: "The US-China trade war and the pandemic have accelerated the shift of the global value chain when European and American companies are relocating investment locations or repatriate manufacturing factories to overcome the over-dependence on a single country in the global supply chain system.

"As Vietnam has been able to effectively contain the pandemic and is among the first countries to reopen the economy, Vietnam is better positioned to attract this capital flow trend. The government acted quickly to embrace this shift in the global supply chain, decided to establish a high-level special working group, charged with the mission of investment promotion in Vietnam."

Lan recognised innovation and digitalisation as the last highlights of Vietnam's economy, saying the development of the digital economy for the country's robust and sustainable development was another attraction to investors.

As Vietnam targeted its digital economy to contribute 30 per cent of the GDP, related businesses have great markets serving both the government and people in the new era. Lan said: "Switzerland is an important trade, investment and economic cooperation partner of Vietnam with strong grown bilateral economic and a trade volume reaching \$3.6 billion in 2019."

Lan added there are more than 100 Swiss companies including big names such as Nestle, ABB, Novartis, Roche, Holcim and Schindler.

These firms have been doing successful business in Vietnam and with the total investment of around 2 billion Swiss francs, Switzerland was now the sixth biggest European investor in Vietnam.

She considered Swiss firms with comparative advantages and strengths in technology, innovation, capital and expertise especially in finance, pharmaceutical, food manufacturing would look more to Vietnam as a safe and attractive destination for doing business in the post-COVID-19 world of tremendous change and globe supply shift.

Lan said: "They will have large room to grow."

The ambassador hoped the FTA negotiations between Vietnam and Switzerland will be completed this year when the two countries celebrate the 50th anniversary of bilateral relations.

With the same point of view, Trade Counsellor Nguyen Duc Thuong said that the favourable environment has created very good conditions for foreign investors in Vietnam. Thuong added that Vietnam is also strong in demographics when it is going through a period of "golden population structure".

Vietnamese senior leaders are also very interested in creating favourable conditions for foreign investors in terms of the law. The National Assembly of Vietnam passed a new Law on Investment on June 17, 2020, effective from January 1, 2021, with many new investment incentives.

Thuong said even during the pandemic, investment in Vietnam last year was still very strong, however, he said the top FDI partners were Asian countries of Korea, Japan, and Singapore, Switzerland was currently ranked 19th.

Mentioning Vietnam as a preferred place to regulate the world's production chain as the economy of nearly 100 million people has enjoyed political stability in countries and free trade treatment from all major economies of the world, Thuong said energy and technology were among top investment fields in Vietnam.

Attending the webinar, Will Mackereth, Supply Chain director of Nestle Vietnam said understanding the nutritional deficiencies namely in zinc, iron, iodine, and Vitamin A in the country, Nestle Vietnam has been providing main products like MILO, Maggi, Nescafe fortified with Vitamins and minerals to millions the local consumers and children.

Mentioning Vietnam as a hub for added-value production, export and distribution, Nestle's representative said: " We have a lot of o optimism to continue to invest in Vietnam."

SVBG the first of its kind founded by Vietnamese expatriates in Switzerland, will focus on offering trade information via workshops, forums, and internal bulletins; providing

BUSINESS

System error hinders recovery of main index

legal consultations and guidance; developing links for technological transfers and improvement; and introducing quality human resources. It will also make recommendations for more favourable business climate to competent agencies of both nations, while organising socio-cultural activities serving its goals.

According to SVBG, Vietnam was the four biggest trade partner of Switzerland in Asean. Since 2012, Vietnam and the European Free Trade Association (EFTA) the inter-governmental organisation of Iceland, Liechtenstein, Norway and Switzerland began negotiations for a FTA, which was expected to be signed this year.

http://bizhub.vn/news/viet-nam-is-an-attractive-destination-for-swiss-investors_322585.html

05/MAR/2020 INTELLASIA| THE SAIGON TIMES

The benchmark VN Index of the Hochiminh Stock Exchange closed in negative territory today, March 4, as order placing activities were slowed down due to a system error which has recently occurred on the bourse, especially in the afternoon.

With the number of decliners nearly quadrupling that of advancers at 362 to 95, the main index lost 18.43 points, or 1.55 percent against the previous session at 1,168.52. Turnover on the HCM City market improved over 6 percent in volume and 10 percent in value over the session earlier at more than 670 million shares and some VND16.8 trillion. Block deals contributed around VND1.5 trillion to the total value.

In the VN30 basket, financial stocks deeply declined, with financial service provider TCH, brokerage SSI, lenders TPB, STB, TCB, MBB plunging 3-4.2%.

Besides this, insurer BVH, consumer goods producer MSN, tech firm FPT, lender BID, retailer VRE dropped 2.1-2.8%, while lender VCB, housing developer VHM, steelmaker HPG and some others fell slightly.

Steelmaker HPG led the HCM City market by liquidity with nearly 28 million shares changing hands. Lenders STB, MBB, TCB reported the respective matching volume of 23.5 million, 23.1 million, 16.1 million shares.

Meanwhile, a host of speculative stocks made gains, including FLC, PVD, PVT, SCR, GEX, and DCM. Of them, property group FLC saw over 23.6 million shares transacted. Also, TLH, TGG, and DQC were among outstanding winners as they hit their upper limits.

In contrast to the southern bourse, trading on the northern bourse was upbeat. The HNX-Index added 1.67 points, or 0.66 percent versus Wednesday at 255.77. Notably, oil and gas stock PVS soared a whopping 8.4 percent and was the most actively traded stock on the Hanoi market, with over 27 million shares traded.

<https://english.thesaigontimes.vn/80794/system-error-hinders-recovery-of-main-index.html>

VN Index finishes lower as selling pressure weighs

05/MAR/2020 INTELLASIA| VNS

Vietnam's stock market ended mixed on Thursday as the VN Index continued its downward trend in the afternoon session while the HNX-Index reversed its morning course.

The market benchmark VN Index on the Ho Chi Minh Stock Exchange (HoSE) finished at 1,168.52 points, down 1.55 per cent. The index posted a loss of 26.52 points, equivalent to 2.23 per cent, in the morning session.

Today's result ended the index's current movements that fell in the morning but still finished higher at the end of the session.

The market breadth stayed negative till the end of the session with 362 stocks falling, while 95 stocks climbed. And the market's liquidity was high as VND16.8 billion was poured into the southern bourse, equivalent to a trading volume of over 673.4 million shares.

Rising selling pressure and trading issues made many big stocks across all sectors fall sharply today, with the VN30-Index, which tracks the performance of the 30 biggest stocks on HoSE, down 1.78 per cent to 1,174.29 points.

Besides Vingroup JSC (VIC) ending flat, the rest of the VN30 basket posted poor per-

formance. In the morning session, VIC was the only stock in the basket to witness a gain.

Top five stocks dominating the market's trend were in real estate, banking and materials sectors, including Vinhomes JSC (VHM), down 1.48 per cent, Techcombank (TCB), down 3.22 per cent, JSC Bank For Investment And Development of Vietnam (BID), down 2.4 per cent, Vietcombank (VCB), down 1.12 per cent and Vietnam Rubber Group JSC (GVR), down 2.87 per cent.

Meanwhile, gains in stocks from materials, gas and oil, and fertiliser sectors helped limit the losses. Pomina Steel Corporation (POM) climbed 6.02 per cent, PetroVietnam Drilling & Well Services Corporation (PVD) rose 2.76 per cent, Duc Giang Chemicals Group JSC (DGC) rose 2.61 per cent, and PetroVietnam Ca Mau Fertiliser JSC (DCM) rose 2.51 per cent.

On the Hanoi Stock Exchange (HNX), the HNX-Index reversed the morning's course, up 0.66 per cent to 255.77 points. Finishing the morning session, the HNX-Index dropped 0.48 per cent. The HNX30-Index also climbed 0.22 per cent to 376.42 points. Nearly 176.1 million shares were traded on the northern market during the session, worth over VND2.79 trillion.

Foreign investors continue to net sell on HoSE and HNX. While the investors withdrew VND229.65 billion out of the southern market, they net sold a net value of VND13.51 billion on HNX.

http://bizhub.vn/markets/vn-index-finishes-lower-as-selling-pressure-weighs_322621.html

HoSE's raising of standard trading lot to 1,000 could bar small investors

05/MAR/2020 INTELLASIA| THE SAIGON TIMES

If the Hochiminh Stock Exchange (HoSE) proceeds with its plan to raise the minimum volume of shares that can be traded in an order from 100 to 1,000 to address its trading system overload, it could leave huge negative impacts on small investors and prompt many of them to leave the bourse, according to experts and investors in the field.

Thao, the owner of an eatery in HCM City's Thu Duc City, told VnExpress that she has topped-up VND20 million to her online trading account, which she opened just a couple of days ago and she planned to start trading on the southern bourse today, March 3.

However, last night, she learned that HoSE is weighing extending the size of the standard lot.

She originally wanted to purchase the stocks of four major businesses, namely Vinamilk, The Gioi Di Dong, Vingroup and Novaland. But if HoSE effects the change, she as an inexperienced investor could only buy stocks priced below VND20,000 with the amount of money, or has to have at least VND78 million to buy shares of the real estate developer Novaland or even over VND100 million for each of the other big stocks.

"Such amounts are too huge for new investors like me," she told the paper.

Commenting on the issue, Dr Tran Xuan Nam, chair of Saonam Consulting Company, said that HoSE's plan was going against a common trend under which the stock market is set to become a platform channeling long- and medium-term capital from the widespread public into the economy.

Nam added that the local stock market could experience a strong sell-off before the plan is executed. Further, the stock market operators would need a long time to regain the trust of and entice investors to rejoin the market.

Earlier, Le Hai Tra, general director of HoSE, shared the plan with the local media, saying that once the plan takes effect, small investors would receive better protection by investing in exchanged traded funds. Also, this would promote the growth of the fund management sector and increase the number of professional investors in line with the government's goal.

Further, the change in the standard trading lot could reduce some 50 percent in the number of trading orders, paving the way for the market turnover to reach higher levels, Tra said.

Many solutions to prevent network congestion on HoSE

05/MAR/2020 INTELLASIA| SGGP NEWS

Vietnam's stock market in the trading session on March 3 continued to encounter network congestion on the HCM City Stock Exchange (HoSE), so the VN Index was almost flat.

Meanwhile, on the Hanoi Stock Exchange (HNX), the HNX-Index made a breakthrough of nearly 3 percent. At the end of the trading session, the VN Index inched up by 0.34 points, or 0.03 percent, to close at 1,186.95 points, with 270 gainers, 168 losers, and 64 unchanged stocks. The HNX-Index jumped 6.16 points, or 2.48 percent, to 254.1 points, with 137 gainers, 66 losers, and 57 unchanged stocks.

Foreign investors continued to net sell nearly VND500 billion on the whole market. Of which, they net sold VND470 billion on the HoSE. Liquidity remained at a high level with a total trading volume of 819 million shares, worth more than VND18.1 trillion. Of which, put-through transactions accounted for nearly VND1.77 trillion.

The stock market traded with caution from investors after the new general director of the HoSE Le Hai Tra spoke in the media about a solution to prevent network congestion, which possibly is to raise the minimum round lot from 100 shares to 1,000 shares to reduce the load for the trading system.

According to the HoSE's calculations, increasing the round lot to 1,000 shares can reduce the total number of trading orders by 40-50 percent, at the same time, it can pave the way for new heights of market liquidity.

Tra said that that might only be a temporary solution to solve the current network congestion situation. In the future, when the new stock trading system comes into operation, there will be an odd-lot board, and it is also possible to return to the current round lot of 100 units. However, this opinion faced considerable opposition from investors because it will make it difficult for investors, especially small investors. Because they will have to spend 10 times as much as currently to buy stocks on the HoSE.

Another solution to prevent network congestion for the HoSE is to transfer some stocks from the HoSE to the HNX, the State Securities Commission (SSC) has just sent documents to the HoSE, the HNX, and the Vietnam Securities Depository (VSD) on this.

Accordingly, the SSC requested the HNX to promptly accept and receive listed companies from the HoSE, without reviewing their records following the new listing process. The transaction mechanisms, transaction supervision, listing management, reporting, and information disclosure will be applied the same as companies listed on the HNX. The HoSE and the HNX will cooperate in supervising transactions for these stocks to ensure continuity of supervision.

Noticeably, the SSC stated clearly that shares of transferred companies, which are currently in the set of the VN Index indicators of the HoSE will be removed from the set of HoSE indicators during the temporary transfer to the HNX. At present, SSC will temporarily not consider transferring the shares of companies currently in the VN30-Index.

The SSC also requested the HNX, the HoSE, and the VSD to urgently handle the issue so that enterprises can transfer the transactions of their shares similarly to the listing transfer cases that have been carried out so far. This mechanism will be applied from March 3 this year.

https://sggpnews.org.vn/business/stock_market/many-solutions-to-prevent-network-congestion-on-hose-90975.html

Trading value hits monthly high as VN Index dips

05/MAR/2020 INTELLASIA| VNEXPRESS

Trading value surged to highest in over a month as investors sell, sending the benchmark VN Index plunging 1.55 percent to 1,168.52 points Wednesday.

The index started off in the green before dipping by nearly 28 points starting at around 10.40 a.m. while a slight recovery in the afternoon was unable to bring it back to the starting point. It closed with a 18.43-point drop, ending a chain of five consecutive gaining sessions.

Trading value on the HCM City Stock Exchange (HoSE), on which the index is based,

rose 9.8 percent to VND16.8 trillion (\$728.4 million), the highest since February 1. The bourse saw 95 stocks gain and 362 lose.

Many investors reported overloads on the bourse even in the morning. There were times when buy orders were delayed for two or three minutes, they said.

The VN30 basket, comprising the 30 largest capped stocks on the HoSE, saw 29 stocks in the red. VIC of biggest conglomerate Vingroup was the only ticker with no price change at VND106,900.

Losing blue chips were led by TCH of real estate company Hoang Huy Investment Financial Services JSC, down 4.2 percent, and SSI of SSI Securities Corporation, down 4 percent.

They were followed by five banks, including TPB of private TPBank, down 3.7 percent, STB of HCM City-based lender Sacombank, down 3.4 percent and TCB of the largest private lender Techcombank, down 3.2 percent.

Foreign investors were net sellers for the 10th session in a row to the tune of VND229.6 billion, with the strongest pressure on VNM of dairy giant Vinamilk, VIC and VCB of state-owned lender Vietcombank.

The HNX-Index for stocks on the Hanoi Stock Exchange, home to mid and small caps, gained 0.66 percent, while the UPCoM-Index for stocks on the Unlisted Public Companies Market fell 0.18 percent.

<https://e.vnexpress.net/news/business/economy/trading-value-hits-monthly-high-as-vn-index-dips-4243609.html>

HoSE to list 1.2 billion new shares this month

05/MAR/2020 INTELLASIA| VNEXPRESS

Amid system overloads, the Ho Chi Minh Stock Exchange (HoSE) is set to list 1.2 billion new shares from three companies this month.

Ticker VCA of steel producer VICASA VNSteel, based in the southern province of Dong Nai, will be listed on March 10 with 15.18 million shares at VND13,100 (\$0.57) each.

Textile company Tien Son Thanh Hoa (AAT) will be listed on March 24 with nearly 35 million shares at VND10,600 each.

On the same day, 1.2 billion SSB shares of SeaBank will be listed at VND16,800 each. With the new listing, the main bourse will see its total market cap increase by VND20.8 trillion (\$902.76 million).

The listings are expected to create more pressure on HoSE's 20-year-old system which has suffered frequent overloads due to a surge in the number of investors.

A number of tickers on HoSE are set to be temporarily moved to the Hanoi Stock Exchange (HNX) while the former works to upgrade its system, which could take until the end of the year.

HoSE has also proposed that the minimum trading lot be increased from 100 to 1,000 to reduce the number of transactions.

Since the beginning of the year HoSE has listed 10 new stocks, accounting for a third of the total last year.

<https://e.vnexpress.net/news/business/economy/hose-to-list-1-2-billion-new-shares-this-month-4243320.html>

Expanding trading lot will discriminate against new small investors: experts

05/MAR/2020 INTELLASIA| VNEXPRESS

Increasing the minimum trading lot on the main bourse to reduce system overload would make the stock market an exclusive playground for the rich, experts warn.

Thao in Thu Duc City recently transferred VND20 million (\$869 million) into her trading account, seeking to make profits on the stock market for the first time, only to realise that the Ho Chi Minh Stock Exchange (HoSE) is considering raising the minimum trading lot amount from 100 to 1,000 shares.

The proposed increase, a measure being considered to reduce overload on the bourse's system due to a surge in the number of transactions in recent months, could rob Thao of opportunities to invest in blue chips like dairy giant Vinamilk and electronics retail chain Mobile World and force her to trade stocks priced under VND20,000 (\$0.87).

"I will have to invest at least VND78 million to own blue chip stocks like NVL of Novaland Group. This is too much for a new investor," said Thao, who runs her own e-tery.

She is considering whether to go ahead and purchase stocks or withdraw her money and give up on trading.

Thousands of new investors like Thao are facing a similar dilemma as the main bourse HoSE struggles to resolve its overload issues that have plagued the market for months amid a surging interest in the stock market from individual investors.

The exchange's CEO, Le Hai Tra, told reporters recently that increasing the minimum trading lot will serve to protect small investors as they can invest in exchange traded funds which are operated by professionals.

This will, in turn, increase the number of professional traders on the market, which is what the government wants, he said.

The move could reduce the number of transactions on the bourse by 40-50 percent and could ease pressure on HoSE's 20-year-old system.

Vietnam has seen the number of new stock trading accounts surge since the third quarter last year as the market recovered from slumps caused by the Covid-19 pandemic. There were 2.86 million stock trading accounts at the end of January, 20 percent up from a year earlier and equivalent to 2.94 percent of the country's population.

Experts say that the increasing the minimum trading lot might be a roadblock in making the stock market a viable channel for raising capital in the mid and long term, which is important for the economy.

Tran Xuan Nam, chair of financial consultancy Saonam in HCM City, said that the booming stock market has attracted a large number of new investors and this pumps up capital for listed companies.

Stock authorities want to have 5 percent of the population trading by 2025, but an increase in minimum trading lot will chase away newcomers and even make existing investors leave, he said.

This is even worse than letting the overloads continue, he added.

Echoing him, Le Vu Kim Tinh, a branch manager of brokerage Phu Hung Securities Corporation in HCM City, said the market could be turned into a dedicated playground for the rich and small investors will pull out and divert their attention to other asset class like real estate.

"The market is currently attractive, but an increase in the minimum trading lot will stop the cash flow. It will be very difficult to attract investors again once they have withdrawn their cash and begun focusing on real estate and gold," he said.

Tinh proposed that some stocks on HoSE be temporarily moved to the Hanoi Stock Exchange to ease burden on the system.

If HoSE persists with the idea of increasing the trading lot, it should be done in terms of the price range, he said. Stocks priced over VND100,000 could still be traded with 100 minimum shares, while those in the VND50,000-100,000 range be traded in lots of 200, while those under VND50,000 be traded in lots of 500.

This means a transaction will be priced at around VND10 million, which is reasonable for the majority of investors, Tinh said.

<https://e.vnexpress.net/news/business/economy/expanding-trading-lot-will-discriminate-against-new-small-investors-experts-4243421.html>

'Workation': The rise of a hybrid travel trend after the pandemic

05/MAR/2020 INTELLASIA| HANOI TIMES

According to the survey, 52 percent of Vietnamese travellers have already considered booking somewhere to stay in order to work from a different destination, while 57 percent would be willing to quarantine if they could work remotely.

A recently survey conducted by Booking.com showed that workcation looks set to form a key part of people future travels, at least for the next couple of years.

'Workation', as the word suggests, is 'Work' + 'Vacation' and involves working away from office, blending leisure with business. While not a completely new concept, it seems to garner the attention of travellers worldwide since the outbreak of Covid-19

last year that meant working from home was the new normal.

According to the survey, 52 percent of Vietnamese travellers have already considered booking somewhere to stay in order to work from a different destination, while 57 percent would be willing to quarantine if they could work remotely.

"Remote working is becoming a likely long-term reality as health and safety is a top priority in the current environment," Anthony Lu, Regional director, Vietnam at Booking.com said.

He also predicts that instead of hotel, more work-friendly accommodation alternatives, like homes and apartments will be on high demand by for both business and leisure travellers who are looking to work remotely.

In addition, more and more travellers think that having relaxing while during a business trip is an essential, especially on the "new normal" of working after Covid-19 pandemic.

Accordingly, 58 percent of Vietnamese travellers on the survey said they would take the opportunity to extend any business trip so that they could schedule some leisure time. Many are also likely to add a week or two to their holiday in order to work remotely.

Although working from one's own home has its perks in the near future, people still want to book somewhere to stay for a welcome change of scenery.

Laptops become the newest travel necessity of 2021, with 61 percent agreeing that due to the increase in working from home and reliance on technology, business travel will be considered less essential than before. Instead, "workation" may become more prevalent and preferable.

These travellers are mostly looking for accommodation that has home office facilities, fast WiFi and most importantly, a spectacular view or cozy area to help make the workday fly by. Good health and safety precautions at each destination is again a top priority. It is tough to focus on work if our mind is caught up with safety or security concerns around the property.

"There is always a way to jazz up work and yet achieve your travel passion, now more than ever. Travellers could now set themselves free from the long-working time of nine hours for five consecutive days at the office because they can work from anywhere," experts from Booking.com said.

<http://hanoitimes.vn/workation-the-rise-of-a-hybrid-travel-trend-after-the-pandemic-316536.html>

Using technology, farmers no longer need produce 'rescue' campaigns

05/MAR/2020 INTELLASIA| VIETNAMNET

Vietnamese farmers often call on consumers to 'rescue' farm produce when there is an oversupply and sales are slow. But the use of e-commerce platforms has changed that. Earning his living by cultivating vegetables for many years, Do Van Chung in Gia Loc district in Hai Duong province complained that he has never met such difficulties before.

In previous years, he harvested 4 tonnes of cabbage and earned VND14-16 million from two sao (1 sao = 360m²) of cultivation area. But he cannot find buyers and is not sure if he can earn VND2 million from each sao.

Phung Danh Ut, the owner of a melon field used with greenhouse technology, also complained that trucks have not come to collect produce for the last two weeks and the price has plunged from VND35,000 per kilogram to VND11,000.

Chung and Ut, who have been living on agricultural production for many years, have become 'as clumsy as bears' as goods circulation is stuck.

To solve the problem, Hai Duong provincial authorities decided to utilise IT to boost the distribution of products.

Some groups have been set up on Zalo, including Doanh nghiệp nông nghiệp Hai Duong (Hai Duong agriculture companies), Nông nghiệp Hai Duong vượt qua đại dịch (Hai Duong's agriculture overcomes the pandemic) and Tong hop nhu cau (demand summary).

Leaders of appropriate agencies are also members of the groups, helping connect busi-

nesses in Hai Duong province and other provinces, and helping farmers join production, supply and transportation chains.

"We connect businesspeople by using the commune's electronic information portal and Zalo and invite them to come to Hai Duong to collect farm produce," said Nguyen Tien Thanh, deputy chair of Pham Tran commune.

"Approximately 800 tonnes of farm produce were marketed during the social distancing time. About 300 tonnes of cabbage remains unsold," he said.

Meanwhile, Do Van Sang, deputy chair of Gia Loc district, said 10,000 tonnes of vegetables and 200 tonnes of poultry meat have been sold.

Thanks to the activities connected by technology, Hai Duong's farm produce has been carried to Hanoi and other localities for sale.

There are other methods that can help 'rescue' their farm produce more effectively e-commerce platforms.

Voso.vn of Viettel Post and Postmart.vn of Vietnam Post in recent years have helped local farm specialties approach millions of consumers throughout the country.

Viettel Post uses a smart logistics system which delivers vegetables directly to consumers within a short time after harvesting to ensure the freshness of produce.

<https://vietnamnet.vn/en/business/using-technology-farmers-no-longer-need-produce-rescue-campaigns-716989.html>

COVID hits HCM City tourism sector hard, again

05/MAR/2020 INTELLASIA| VNS

The HCM City Tourism Association has asked for a complete or at least a 50 per cent waiver of value-added tax payable by accommodation, catering and travel businesses until the end of this year.

A resurgence of COVID-19 just before the peak Tet (Lunar New Year) tourism season has severely hit HCM City's services and other consumer sectors, especially tourism. Many hotels in the city's bustling central district continue to offer sharp rate cuts to survive.

Room rents at a two-star hotel on Bui Vien Street in District 1 are 73 per cent down to VND75,000 (US\$3.25) per night.

Five-star hotels are not doing any better: Sofitel, Majestic, Nikko, Oakwood, New World, and Lotte are offering rooms at VND1.2-2.2 million (\$52-95.4).

Yet, occupancy rates during the seven days (February 10-16) of Tet were only 10 per cent.

The situation is due to the decline in the number of both local and foreign tourists due to the COVID-19 outbreak.

Figures from the General Statistical Office (GSO) show there were fewer than 11,000 international visitors to Vietnam in February, down 38.3 per cent from January and 99.1 per cent from a year ago.

Most of them were experts, business executives, foreign investors, high-tech workers coming to work on important projects in Vietnam, and drivers transporting goods across borders.

The travel and tourism sector's revenues in the first two months of the year were down 62.1 per cent year-on-year at VND2.5 trillion (\$108.5 million).

HCM City was the third worst hit by the latest wave of the pandemic behind Thua Thien-Hue and Hai Duong provinces.

The revenues of accommodation and catering providers fell by 4.3 per cent to VND88.4 trillion (\$3.8 billion). The biggest declines were seen in Da Nang (16.1 per cent), Ba Ria-Vung Tau Province (15.9 per cent), HCM City (14.1 per cent), Hai Duong Province (7.8 per cent), and Hanoi (7.6 per cent).

The GSO added that the pandemic has led to cancellations of a number of festivals and a decrease in tourism activities.

<https://vietnamnews.vn/economy/892060/covid-hits-hcm-city-tourism-sector-hard-again.html>

HCM City to build 'golden brands' for agricultural products

05/MAR/2020 INTELLASIA| VNS

The HCM City Department of Agriculture and Rural Development is building a 'golden brand' for its agricultural enterprises, Vo Van Hoan, vice chair of the city's People Committee, has said.

In 2020, none of the 30 enterprises receiving the HCM City Golden Brand Award were in the agricultural sector.

Hoan has encouraged enterprises to develop brands for local agricultural products and services. Can Gio District specialties, for example, that have already been branded include dried shark catfish, bird's nest and mango.

The development of high-value agricultural products together with tourism will benefit the local economy and maintain agriculture.

Dinh Minh Hiep, director of the municipal Department of Agriculture and Rural Development, said the city will continue to call for more investment in agriculture. The aim is to increase its number of agricultural enterprises to 2,000 from the 1,910 enterprises in 2020.

Ninety per cent of agricultural enterprises in Vietnam are small or micro sized, with capital of less than VND10 billion (US\$430,000).

The country's agriculture sector targets being ranked in the top 15 in the world, in which the agricultural processing sector would rank among the top 10 countries by 2030.

http://bizhub.vn/news/hcm-city-to-build-golden-brandsfor-agricultural-products_322625.html

HCM City proposes developing five new railway lines

05/MAR/2020 INTELLASIA| THE SAIGON TIMES

The government of HCM City is working on a plan to propose the development of five new railway lines, with a focus on high-speed train routes, to cope with a high freight growth rate in the city.

These five railway lines include the HCM City-My Tho-Can Tho route; the HCM City-Tay Ninh route connected with the HCM City-My Tho-Can Tho route at the Tan Chanh Hiep Station in HCM City; the Thu Thiem-Long Thanh airport route; a high-speed railway on the north-south route, with sections with high demand such as HCM City-Nha Trang to be developed first.

The fifth route is a double-track rail line connecting the national railway line to the Hiep Phuoc Port in HCM City and the Long An international terminal.

This plan is part of a scheme, which was recently passed by the city's government, to develop the logistics sector in the city until 2025 with a vision toward 2030, the Office of the municipal government announced on March 3, reported Sai Gon Giai Phong newspaper.

According to the scheme, the logistics costs of some sectors in HCM City remained high. For instance, the seafood sector's logistics costs accounted for 30 percent of its operation costs. Roads within HCM City and those linking the city with major economic zones in the south are facing overloading, thus extending the time needed to transport goods and raising logistics costs.

<https://english.thesaigontimes.vn/80790/hcmc-proposes-developing-five-new-railway-lines.html>

Thuduc House denies connection with companies to commit tax fraud

05/MAR/2020 INTELLASIA| THE SAIGON TIMES

Thu Duc Housing Development Corporation (Thuduc House), in its latest announcement, has denied any collusion with 70 companies to commit tax fraud as mentioned in a report by the general Department of Vietnam Customs.

In response to the customs agency's report on some southern firms' appropriation of value added tax (VAT) refunds, smuggling and illegal cross-border cargo transport, Thuduc House said it had no connection with Saigon Southwest Trading JSC, a subsidiary of Saigon Trading Group, as well.

As for the trade of electronic accessories, from 2018 to 2019, Thuduc House purchased the products from a domestic partner, An Lanh Phat Co., Ltd, through its subsidiary-

-Thuduc House Wood Trading JSC--and exported them to other countries.

Thuduc House, Thuduc House Wood Trading and An Lanh Phat are operating legally, with seals, legal representatives and headquarters and have sufficiently paid VAT as well.

Regarding the news that one of the importers of the products of Thuduc House could not import the products to Hong Kong and two others in Cambodia had no import data in 2018 and 2019, Thuduc House explained that it did not know if its partners had complied with their countries' regulations and had no jurisdiction to ask them to prove their compliance with the law.

According to Thuduc House, KGL Vietnam Company, which transports the products of Thuduc House, confirmed that it had transported the products to the Phnom-Penh International Airport in Cambodia and the Hong Kong International Airport in Hong Kong and handed them over to the importers.

The conclusions of the inspectors of the HCM City Tax Department and the report of the general Department of Vietnam Customs are being verified. Courts and investigative agencies have yet to conclude that Thuduc House falsified documents to get VAT refunds.

Earlier, the HCM City Tax Department had ordered Thuduc House to pay more than VND451.3 billion in the tax refunds the firm is alleged to have illegally received from the tax authorities by asking banks to extract money from the company's accounts and block all of its accounts.

The firm later opposed the HCM City Tax Department's decision and filed a lawsuit against the taxman to the municipal People's Court.

The court temporarily suspended the tax agency's decision but withdrew its decision several days later.

According to the general Department of Vietnam Customs, Thuduc House exported nearly VND5.3 trillion worth of electronic accessories from February 17, 2017, to August 2, 2019. It later received VAT refunds valued at VND261 billion.

Enterprises selling the products to Thuduc House regularly changed their information about their headquarters, owners and legal representatives.

According to the customs agency, Thuduc House and its partners established subsidiaries to purchase local products at low prices, then exported them at much higher prices and appropriated tax refunds of hundreds of dong, causing huge losses for the State budget.

The Investigative Police Department for Corruption, Smuggling and Economic Crimes under the Ministry of Public Security has detained 20 people and seized 200 seals of local and foreign units involved in the case.

<https://english.thesaigontimes.vn/80789/thuduc-house-denies-connection-with-companies-to-commit-tax-fraud.html>

Ly Son garlic reputation threatened by fake products

05/MAR/2020 INTELLASIA| DTI NEWS

The prices and the reputation of Ly Son garlic have fallen as low-quality garlic from other areas are being brought to the island and faked as Ly Son garlic.

Ly Son Island, Quang Ngai Province, is famous for its garlic which is sold at much higher prices than the garlic from other places. However, for the past years, garlic has been brought to the island and sold to tourists as the garlic from Ly Son.

According to a trader, fake Ly Son garlic is sold in huge numbers due to high demand from visitors. The price of the garlic from Nha Trang City is VND28,000 (USD1.20) per kilo. After being marketed as Ly Son garlic, its price will increase to VND45,000 per kilo.

Garlic from Khanh Hoa and Ninh Thuan is also faked as being Ly Son garlic and sold at An Vinh Market on the island.

As a result, there is a surplus of supply and the prices and reputation of Ly Son garlic have been badly affected. After the Tet Holiday, the prices of Ly Son garlic stood at VND60,000 (USD2.60) per kilo but has now dropped to VND40,000. At some points in the past two years, the prices of dried garlic dropped to VND20,000 per kilo.

Expert suggests developing second airport for Hanoi area

Huynh Tung, a farmer in Ly Son, said, "The price of Ly Son garlic dropped and it's so hard to sell garlic now."

On February 19 and 21, the authorities seized over one tonne of non-local garlic which was being transported into the island.

Dang Tan Thanh, vice chair of Ly Son District People's Committee, said they had tightened monitoring and raised public awareness to protect Ly Son garlic.

"We have asked the Department of Economic and Rural Infrastructure to work on a product traceability project. It will help customers recognise the garlic better and protect the farmers," he said.

Last June, The Intellectual Property Office of Vietnam issued the geographical indication certification to help manage and develop Ly Son garlic more efficiently.

dtinews.vn/en/news/018/72772/ly-son-garlic-reputation-threatened-by-fake-products.html

05/MAR/2020 INTELLASIA| THE SAIGON TIMES

The annual capacity of the Noi Bai International Airport in Hanoi should be doubled to 50 million passengers as originally planned, and a second airport needs to be built in the southern part of the Hanoi City area, instead of doing research over a second airport in 2040, said an expert.

Architect Tran Ngoc Chinh, chair of the Vietnam Urban Planning and Development Association, put forward this proposal at a conference held on March 3 on the national airport development plan in the 2021-2030 period, with a vision to 2050, reported Tuoi Tre Online.

Chinh said that if the Noi Bai airport's capacity is raised to 100 million passengers per year, it is a must to build a metro line linking to the airport, develop two more ring roads and an elevated road above Vo Nguyen Giap street and other infrastructure facilities, which could spoil the capital city's urban planning and lead to extremely dense traffic facing the north of the Red River.

Accordingly, he proposed developing the second airport in the southern part of Hanoi to promote the growth of this area.

Some locations such as Ung Hoa in Hanoi, Thanh Mien in Hai Duong Province and Phu Ly in Ha Nam Province could be considered to build the airport, Chinh suggested. In response, Nguyen Bach Tung, deputy head of the Transport Engineering Construction and Quality Management Bureau, under the transport ministry, agreed with the suggestion to research an appropriate location to build the second airport in the Hanoi area.

<https://english.thesaigontimes.vn/80785/expert-suggests-developing-second-airport-for-hanoi-area.html>

Rice farmers enjoy bumper harvest, high prices in Mekong Delta

05/MAR/2020 INTELLASIA| SGGP NEWS

Rice farmers in Mekong Delta rejoiced as the ongoing winter-spring crops yielded big gains, while domestic agricultural authorities work towards a near future where Vietnamese rice dominates markets worldwide.

After the award-winning ST25 rice rightfully earned a firm footing on the market, it and other varieties from the Mekong Delta region became highly sought-after. This fragrant rice variety sells for VND30,000-45,000 per kilogram (US\$1.3-1.95) and is still seeing high demand after the Lunar New Year shopping craze ended.

Farmers from Soc Trang Province, where ST25 rice is cultivated, raked in double the year-on-year profit at about VND40 million (US\$1.734) per 8 tonnes.

"We even had retailers offering to buy our yields long before harvest, which is very rare and proves the apparent demand for high-quality fragrant rice", said a local field owner.

Mekong Delta farmers up to now have harvested some one-third of the region's total rice crops for the period, with an average yield of over 7.3 tonnes per hectare.

Seeing that high-end white rice and fragrant rice make up nearly 90 percent of the products, Soc Trang province is requesting the provincial centre for Agricultural Seeds

to focus more on the production and supply of these varieties to meet local demands. Meanwhile, Hau Giang Province has been promoting the Vi Thuy fragrant rice variety produced in an eco-friendly safety food chain. The province plans to expand cultivation areas to 500 hectares, said the director of Hau Giang's Department of Agriculture and Rural Development.

The Vi Thuy brand was rated a 4-star eco rice product by the domestic OCOP programme (One Commune One Product) which prompted Hau Giang authorities to promote the safety production chain to local farmers.

On a nationwide scale, restructuring the agriculture sector by cutting off inefficient yields has boosted rice production significantly, as well as created opportunities for up to 6 million tonnes of Vietnamese rice to enter EU markets per year, said business insiders.

Although the EU market demands some 2.1-2.3 tonnes of rice per year, only 80,000 tonnes of Vietnamese exports can enter each year under regulations of the EVFTA. The Asian country in recent years has commanded international attention with multiple global award-winning rice varieties. Experts believe Vietnam in the near future can export as many as 1 million tonnes of white fragrant rice at over \$1,000 per tonne, earning \$1 billion in foreign currency each year.

To further promote Vietnamese rice, there have been proposals for the Ministry of Agriculture and Rural Development and the Ministry of Industry and Trade to set up a national committee for the rice industry in associations with domestic cooperatives and overseas trade counsellors.

<https://sggpnews.org.vn/business/rice-farmers-enjoy-bumper-harvest-high-prices-in-mekong-delta-90970.html>

Bamboo Airways resumes flights to Van Don Airport

05/MAR/2020 INTELLASIA| VNA

Bamboo Airways has resumed flights linking HCM City with Van Don International Airport in the northern province of Quang Ninh, according to a representative from the hybrid carrier.

The route will see four round trips a week, which may increase depending on demand. It earlier suspended flights to and from Van Don following the airport's temporary closure to apply COVID-19 preventive measures.

A member of the airport's security staff tested positive for the coronavirus in January. Bamboo Airways will further expand its flight network, with new ones connecting the Mekong Delta city of Can Tho with Hai Phong, Da Nang, and Quy Nhon in Binh Dinh province.

The additions bring the number of routes to Can Tho to six.

It also plans to increase flight numbers to meet demand.

The carrier is offering various promotions to mark the upcoming International Women's Day on March 8, with discounts for groups of at least two passengers booking tickets to Con Dao Island before March 7.

Passengers are asked to closely follow COVID-19 preventive measures./.

<https://en.vietnamplus.vn/bamboo-airways-resumes-flights-to-van-don-airport/197099.vnp>

Prefeasibility study of HCM City Can Tho rail project to be made

05/MAR/2020 INTELLASIA| VNA

The minister of Transport has assigned its railway project management unit to make a prefeasibility study of the 10 billion-USD HCM City-Can Tho railway project.

Under the detailed planning of the project passed in 2013, the route is designed to have a length of 173.6km with 14 stations, starting from the An Binh cargo station in the southern province of Binh Duong's Di An town, then the passenger station in HCM City's Binh Chanh district, and ending in Can Tho's Cai Rang district.

However, recently the Phuong Nam Science and Technology Institute (PNSTI) submitted to the HCM City People's Committee and the Ministry of Transport its final report on adjustments to the project after seven years of research.

Per the report, the rail line will run along the right-side corridor of the HCM City-

Trung Luong and Trung Luong My Thuan expressways. In the initial plan, it will cross crowded residential areas and industrial parks, which may result in difficult site clearance and higher expenses for compensation.

The adjustment will also shorten the total length of the route by 5km, saving about 200 million USD in construction costs.

The latest plan sees the 134.9km railway crossing five localities HCM City, Long An, Tien Giang, Vinh Long and Can Tho. With nine urban stations, it will start from the Tan Kien station in HCM City and end at the Can Tho station in the city of the same name. In addition, there will be a 44km branch route from the Thanh Phu station in Long An province to the Hiep Phuoc port and Long An international port.

The maximum speeds for goods and passenger trains on the route will be 150km and 200km per hour, respectively.

The project has so far attracted investment from 20 international sources, including the US, European nations and international financial organisations.

Currently, it takes up to five hours to go from HCM City to Can Tho by road due to traffic congestion. The high-speed rail line is expected to reduce the travel time to about 45 minutes.

According to a study from the Japan International Cooperation Agency (Jica), the annual volumes of goods and passengers transported between the Mekong Delta and HCM City will reach 147.5 million tonnes and 46.5 million passengers in the future./.
<https://en.vietnamplus.vn/prefeasibility-study-of-hcm-city-can-tho-rail-project-to-be-made/197074.vnp>

Rubber companies set lower profit targets for 2021

05/MAR/2020 INTELLASIA| VNA

As a bear market for rubber is anticipated in 2021, Vietnamese rubber companies have edged down their profit targets for the year.

In its business plan announced at an extraordinary shareholders' meeting at the end of February, the Vietnam Rubber Group (VRG) targets 4.6 trillion VND (199.68 million USD) in after-tax profit in 2021, a year-on-year fall of 12 percent.

It forecast another tough year, particularly for rubber latex, with blame being placed on lower prices. The group's rubber wood and rubber products will both face fierce competition.

Gross revenue topped 25.99 trillion VND last year and after-tax profit 5.23 trillion VND, up 5.67 percent and 29.8 percent, respectively. Growth was mainly spurred by its divestment from the Sai Gon VRG Investment JSC.

Experts from the Viet Capital Securities JSC said that VRG pocketed some 1.1 trillion VND from the divestment, and without this its profit would scarcely have reached such a high level.

It is understandable that VRG has adjusted its profit target downwards this year, they said, in the context of unanticipated changes in the global market.

Other rubber firms like the Tay Ninh Rubber JSC (TRC) and the Phuoc Hoa Rubber JSC (PHC) also remained prudent in setting targets for 2021.

TRC aimed at 301 billion VND in revenue and 57 billion VND in pre-tax profit, down 29.6 percent and 48.8 percent year-on-year.

Meanwhile, PHR, who holds a huge advantage in developing industrial real estate, lowered its revenue target by 15 percent to 1.92 trillion VND and after-tax profit target by 35 percent to 751 billion VND.

Along with gloomy prospects for material rubber demand this year, PHR is also facing other difficulties, including stunted rubber plantations, a shortage of workers, unfavourable climate conditions, and disease in its rubber trees. Revenue and profit will also be critically affected by weakening investment in industrial zones due to the COVID-19 pandemic.

According to a report from the FPT Securities JSC (FPTS), rubber prices will remain low in 2021, at around 32-33 million VND per tonne, leaving a negative impact on the sector's latex business./.

Work on 15 million-USD textile factory underway in Tay Ninh

05/MAR/2020 INTELLASIA| VNA

The Happytex Joint Stock Company began construction on March 4 of a 15 million-USD textile factory at the Trang Bang Industrial Park in the southern province of Tay Ninh.

Covering an area of 25,000 sq m, the factory is designed to produce 20 million sq m of woven fabric, or 2,000 tonnes, each year for export. Construction is scheduled for completion in six months.

Ha Van Cung, head of the Management Board of Economic Zones of Tay Ninh, said that since the beginning of this year local industrial parks and economic zones have attracted four projects, including three foreign-invested projects worth 373.12 million USD. As of February, the province had attracted 364 investment projects, including 265 FDI and 99 domestically-invested projects with combined capital of over 8.3 billion USD, creating jobs for nearly 34,000 workers, according to Cung./.

<https://en.vietnamplus.vn/work-on-15millionusd-textile-factory-underway-in-tay-ninh/197098.vnp>

Hoa Phat's imports from Australia to reach \$1.44 billion this year

05/MAR/2020 INTELLASIA| VNS

Hoa Phat Group plans to import \$1.44 billion worth of commodities from Australia in 2021, more than doubling last year's figure.

The imports will include around four million tonnes of iron ore, 3.5 million tonnes of coal of different types and 145,000 cows.

The group's imports of machines, equipment and materials for production reportedly hit nearly \$2 billion last year. Of the total, some 35 per cent, or \$700 million, came from Australia, also over double the figure from 2019 and making the industrial manufacturer the largest Vietnamese client of the country.

More than half of the total import value, or \$364 million, came from coal, compared to just \$115 million in 2019.

The group's purchases of iron ore leapt a whopping 19-times to \$123 million in the first eleven months of 2020.

Hoa Phat bought more coal and iron ore last year to serve production at its iron and steel integrated complexes in the northern province of Hai Duong and the central province of Quang Ngai's Dung Quat Economic Zone.

Meanwhile, it annually purchases hundreds of thousands of cows from Australia, with its herd accounting for 50 per cent of all Australian-imported cows in Vietnam.

With such soaring import numbers, Hoa Phat was estimated to account for 17 per cent of Australia's total export value to Vietnam in 2020, compared to 7.4 per cent in 2018 and 7.6 per cent in 2019.

According to Global Trade Atlas, Australia's exports to Vietnam reached \$4.4 billion in 2020, 16 per cent of which was imported by Hoa Phat.

Last year, the group's exports exceeded \$1 billion, including \$966 million worth of high-quality and construction steel.

http://bizhub.vn/corporate-news/hoa-phats-imports-from-australia-to-reach-144-billion-this-year_322624.html

Career success is not all: female startup founder

05/MAR/2020 INTELLASIA| VNEXPRESS

Thai Van Linh, a Vietnamese business consultant, investor and founder, shared a story behind her decision to return to Vietnam while being at the pinnacle of her career in the US

<https://e.vnexpress.net/news/business/career-success-is-not-all-female-startup-founder-4243263.html>

Nestle launches NAN OPTIPRO

05/MAR/2020 INTELLASIA| VNS

Nestle has launched the NAN OPTIPRO with HMO and OPTIPRO protein.

HMOs are the third most abundant solids in breast milk and scientifically proven to boost children's immunity.

Tanti Ermawati, business executive officer of Nestle Vietnam Infant Nutrition, said:

"With the relaunch of HMO-added NAN OPTIPRO, we look forward to bringing a comprehensive nutritional solution for children and helping nurture their full potential."

To mark the launch, the company began a programme called 'Moments of Amazing Kid Growth' that seeks inspirational stories about the amazing growth journey of Vietnamese children aged two to six through stories of hands.

Singer Phuong Vy, the brand ambassador for Nestle NAN, said: "The hands are a subtle metaphorical image of a child's amazing growth. Children learn and explore the world through their hands. The movements of touching, grabbing and feeling are the child's first and basic interactions with the world around them.

"To me, every amazing growing moment of my child is priceless. I am grateful for those moments and thank NAN for sharing a meaningful programme that reminds me of my wonderful journey of motherhood and my kid's amazing growth."

The programme will be organised from March 22 to April 30 at <https://www.nestle-momandme.vn/en>.

Mothers can join the programme and share their kids' growth moments.

NAN OPTIPRO is distributed nation-wide through supermarkets, mother and baby shops, big milk stores, and e-commerce platforms.

http://bizhub.vn/corporate-news/nestle-launches-nan-optipro_322628.html

Vietnamese proptech startup raises \$1 million in pre-series A round

05/MAR/2020 INTELLASIA| HANOI TIMES

The startup plans to use the new funds to further develop its products and expand across the country.

Citics, a Vietnamese proptech startup, has raised \$1 million in a pre-series A round from a group of international and domestic investors.

The investors include Vulpes Investment Management, a seed investor in Singapore-based unicorn PropertyGuru, Vietnamese company Nextrans and South Korea's TheVentures.

The startup has raised \$700,000 from multiple angel investors, many of whom also participated in this round.

The startup plans to use the new funds to further develop its proprietary SaaS and DaaS products, as well as expanding its business across the country.

Established in 2018, Citics aims to build a comprehensive real estate data platform by digitising and centralising many fragmented data sources to assist real estate transactions, including real estate valuation, sales-purchase, lease and mortgage.

It offers a data-as-a-service solution for banks to validate the value of real estate employed as collateral for loans. By using a proprietary valuation map, bankers can check the details and preliminary values of properties.

It also enables banks' risk department to control mortgage risks related to property values and locations by digital price map technology.

Currently, it has data of more than nine million properties across the country and has estimated values for nearly four million of them.

Since launching its products in early 2020, it signed contracts with ten banks and achieved a monthly growth rate of more than 30%.

<https://vietnamnet.vn/en/business/vietnamese-proptech-startup-raises-us-1-million-in-pre-series-a-round-717355.html>

Getting rich quickly, Ninh Binh businessperson about to become dollar billionaire

05/MAR/2020 INTELLASIA| VIETNAMNET

Nguyen Duc Thuy, or Boss Thuy, has stock assets worth VND17.3 trillion. However, his real assets are believed to be higher.

The price of TDH shares of Thaiholdings increased sharply in the last few trading sessions, exceeding the VND200,000 per share threshold. Since early December 2020, its value has increased by 10 times, from VND20,000 per share to VND201,000.

With 86 million TDH, Thuy now has stock assets of VND17.3 trillion. However, the figure could be higher if counting other properties.

Thuy was believed to buy a large amount of LienViet Post Bank (LPB) recently. Prior

to that, Thuy attended the gong beating ceremony on the day LienViet Post Bank entered the bourse, together with the bank's key leaders.

If only considering the stock assets from TDH, Thuy would be listed as the sixth richest stock billionaire, just after the billionaires listed by Forbes, namely Pham Nhat Vuong, president of Vingroup; Tran Dinh Long, president of Hoa Phat Group; Nguyen Thi Phuong Thao, CEO of Vietjet Air; Ho Hung Anh, president of Techcombank; and Nguyen Dang Quang, president of Masan.

Thuy is even believed to be richer than the 'real estate tycoon' in the south Bui Thanh Nhon, president of Novaland, and Pham Thu Huong, the wife of Vuong.

There have been some changes in the list of stock billionaires in Vietnam recently.

Long of Hoa Phat Group has become the second richest billionaire, just after Vuong. Meanwhile, in Forbes ranking, Long is in the third position. The first and second positions still belong to Vuong of Vingroup and Thao of Vietjet Air.

Thuy is now the chair of the board of directors of Thaingroup and the biggest shareholder of Thaiholdings. He once was on the post of Thaiholdings' chair, but resigned in February and is now the founder of Thaingroup.

Thaiholdings' capitalisation value has soared to VND70.4 trillion, or \$3.5 billion.

In late 2020, Thaiholdings fixed the list of shareholders and issued 296.1 million shares to existing shareholders at the price of VND10,000 per share in a plan to mobilise VND2.961 trillion.

After the issuance, Thaiholdings increased its charter capital from VND539 billion to VND3.5 trillion.

Thaiholdings will use VND2.954 trillion to buy 81 percent of shares of Thaingroup which was the holding company of Thaiholdings.

Thaiholdings board of directors approved the borrowing, L/C opening and the use of services to be provided by SHB, the bank owned by Do Quang Hien, or Boss Hien. The credit limit is VND700 billion and the time limit is 12 months. The asset mortgaged for the loan is the properties at No 210 Tran Quang Khai Street and 17 Tong Dan Street, which are belonging to Ton Dan Hanoi JSC.

<https://vietnamnet.vn/en/business/getting-rich-quickly-ninh-binh-businessman-about-to-become-dollar-billionaire-716982.html>

End