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FINANCE

Banks cut transaction fees to aid customers amid pandemic

The State Bank of Vietnam (SBV) has directed credit institutions to reduce some transaction fees from August 1 this year to support customers amid the outbreak of the latest COVID-19 pandemic.



Accordingly, fees of automatic teller machines (ATM), point of sale (POS) and interbank transactions via the SBV's National Payment Corporation of Vietnam (NAPAS) will be cut from 50-75 per cent from August 1 to the end of this year.

The move was made after NAPAS announced a reduction of 50-75 per cent on its service fees on electronic switching for credit institutions which means that the profits of financial institutions will not be affected by the cut. However, SBV also expects credit institutions to make a bigger reduction for their customers than that of NAPAS.

This is the second fee reduction from NAPAS this year. The firm last year also made another three fee cuts totalling VNĐ530 billion.

NAPAS's move is aimed at helping to develop local cashless payment systems and promote the Government's plan to encourage electronic payments for public services during the pandemic.

Nguyễn Đăng Hùng, deputy general director of NAPAS, said the reduction could contribute effectively to the banking system, enterprises and especially people during the pandemic.

This is the time for cashless payments and NAPAS and the local banks should take responsibility by sharing free services with customers, Hùng said.

He expected the increase in cashless transactions would not only change consumer habits but also help government agencies reduce management and operation costs.

Established in 2004 by the Việt Nam National Financial Switching Joint Stock Company (Banknetvn), NAPAS has become the foundation of the national retail payment infrastructure.

The firm is administering and operating a switching system interconnected with more than 18,600 ATMs, 261,000 POS machines and 300 electronic payment companies. These are in the fields of aviation, telecommunications, hotels and tourism, and serve over 100 million cardholders from 48 domestic and international commercial banks operating in Việt Nam. VNS

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Huge challenges ahead for economic growth amid COVID-19 outbreak

The COVID-19 outbreaks in Ho Chi Minh City and many southern provinces are destroying the "health" of local businesses and hindering economic recovery, meaning the economic growth target of 6.5% set by the Government has never been as difficult and challenging as it is now.

According to Assoc. Dr. To Trung Thanh from National Economics University, the nation's GDP during the first six months of the year recovered to a certain extent with an increase of 5.64%, far higher than the 1.82% level recorded during the same period from last year.



Despite this, the recurrence of the COVID-19 pandemic in a number of key localities involved in the global production chain, including Bac Giang, Bac Ninh, Hai Duong, Hanoi, along with the economic hub of Ho Chi Minh City and some southern provinces, poses a great challenges to the national economy. Indeed, this is set to be a major issue moving forward into the second half

of the year.

"It is almost certain that the Government's 6.5% economic growth target set forth at the beginning of the year is unachievable," Assoc. Dr. To Trung Thanh commented.

Dr. Thanh said that the ongoing COVID-19 pandemic, notable for the spread of the new Delta variant, coupled with a high infection rate, could threaten the recovery of the United States, along with that of EU nations and China, thereby adversely impacting trade and investment in the Vietnamese market.

Furthermore, the uptrend in the price of basic commodities and gasoline remains ongoing as the Organization of the Petroleum Exporting Countries (OPEC) and its allies maintain oil production levels lower than the global average, a factor which will greatly impact the cost of domestic production.

In relation to the demand, the outbreak of the pandemic and the implementation of mass social distancing measures in many localities nationwide has caused income, as well as consumption demand, to plummet.

With regard to supply and the production of important industries such as transportation, warehousing, tourism, education, training, manufacturing, and processing, all continued to be strongly affected due to a sharp drop in demand and increased production costs, along with supply chain disruptions and pauses.

Most notably, the Purchasing Managers' Index (PMI)'s sharp drop from 53.1 points in May to 44.1 points in June indicates the impending difficulties faced by the manufacturing sector.

"The ability of businesses to respond to the pandemic is also decreasing when the pandemic lasts too long, eroding their endurance. Not only small and medium-sized businesses, but also large-scale businesses have also begun to face difficulties when the pandemic is long and unpredictable. Accordingly, businesses not only face great difficulties from the decline in aggregate demand, but also from increased disadvantages from the input side such as rapidly increasing energy prices, land rents, and production prices," Dr. Thanh pointed out.

Moreover, Dr. Thanh stated that extreme and inconsistent anti-pandemic measures among localities is having a negative impact on transportation and logistics costs, as well as potentially disrupting the supply chain for customers and businesses.

According to economist Dr. Can Van Luc, economic growth during the remaining months of the year will be negatively affected by the complicated developments regarding the pandemic. This comes amid the country's pandemic containment strategy proving ineffective and the ongoing vaccination campaign being slow paced compared to many other countries.

As a means of achieving the highest level of economic growth, Dr. Luc stressed the necessity of being consistent with the dual goal and devising solutions to promote production and business, along with policy solutions being carried out both appropriately and flexibly.

"It is necessary to find additional and alternative growth drivers, take advantage of boosting exports to recovered markets, accelerate disbursement of public investment, develop the digital economy, further promote the improvement of the business investment environment towards creating a favorable foundation for businesses to recover soon when the pandemic is brought under control," Dr. Luc added.
VOV

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E-COMMERCE

Barriers removed to help e-commerce platforms ensure essential supplies

The Department of E-commerce and Digital Economy is cooperating closely with six major e-commerce platforms in Viet Nam to implement programmes that promote the sale of essential goods including vegetables and fruits.



In HCM City, Tiki, one of the leading e-commerce platforms in Viet Nam, has increased the goods supply focusing on essential products like rice, fresh food, masks, hand sanitizer and dry food such as cakes, candies and instant noodles.

Tiki has also joined the programme "Moving food to stabilise prices", an initiative of the HCM City Department of

Industry and Trade on coming together to supply essential goods and food.

In 19 southern provinces applying distance, the Viettel Post Corporation (Viettel Post) has opened new mobile selling points in Dong Nai and Vung Tau and prepared essential goods for supply to other localities.

The e-commerce platform Voso.vn of Viettel Post has also worked with agricultural product suppliers in Lam Dong and Binh Thuan to open new stores supplying fresh products such as vegetables and eggs.

Voso.vn has also opened price stabilisation shops supplying more than 2,000 goods items with stable and cheap prices, and delivery in only 1-3 days for people in isolated and restricted areas.

The department said the Sendo e-commerce platform has also implemented a "Shop at home" programme, but it faces difficulty in trading goods because some warehouses are located in blocked areas and the sudden increase in demand for some goods has led to temporary supply shortages.

Sendo has solved these problems by working closely with many different suppliers to ensure their supply of goods.

A representative of the Voso.vn e-commerce platform said there is some difficulty delivering goods to the people with transport restricted in some areas. Therefore, there are some orders that are delivered later than usual.

In this cooperation with the ministry, the Viet Nam Post Corporation (VN Post) has also been building price stabilisation shops at post offices. The people in isolated areas can order by phone via apps like Zalo and then VN Post postal staff will deliver the goods.

By the end of July 22, 2021, VN Post had opened 1,915 selling points.

The department has also proposed that the Ministry of Industry and Trade help e-commerce platforms and delivery companies where possible.

For provinces and cities that are applying social distancing measures under the Government's Directive 16, the Department of E-commerce and Digital Economy has proposed industrial and trade departments to encourage consumers to order essential goods on reputable e-commerce sites.

In the past, the restriction of deliveries has interrupted supply chains. This has led to an increase in people attending supermarkets and wet markets, leading to a higher risk of COVID-19 infection.

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ENERGY

B.Grimm Power Plc from Thailand announced funding for renewable projects in Thailand and Vietnam

Prestigious Thai power generation company B.Grimm Power Plc (BKK: BGRIM) has announced it would allocate THB3 billion (\$91 million) in funding for solar and wind energy development in Thailand and Vietnam raised through its green debenture offerings.



Not only was an initial THB8 billion (\$242.7 million) offering plan fully subscribed, but the doubling of greenshoe options to THB4 billion (\$121.4 million) also drew massive interest, Bangkok Post reported.

Harald Link, chairman and president of B.Grimm Power, said the overwhelming response raising THB12 billion (\$364 million) during a pandemic when the capital market is depressed is truly remarkable.

Link also expressed belief in the vast potential of green energy projects which are all the rage among international investors at the moment.

According to Bangkok Post, B.Grimm Power's debentures were divided into three tranches: THB2 billion for a three-year maturity with an interest rate of 1.41 per cent per year; THB3 billion for a "green bond" with a five-year maturity and interest of 1.95 per cent a year; and THB7 billion with a 10-year maturity and interest of 3.20 per cent annually.

Moreover, B.Grimm Power also confirmed all proceeds from the five-year tranche will be utilised for the future development of its two solar farm projects in Vietnam and a wind energy venture in the northeastern province of Mukdahan in Thailand.

The Vietnam schemes, located in Phu Yen and Tay Ninh provinces with a combined generating capacity of 677MW, are allocated 87 per cent of the proceeds. The 18MW facility in Mukdahan will receive the remaining 13 per cent.

The company is earmarking proceeds from the debentures to repay existing debts, invest in development projects, and use as working capital.

“B.Grimm Power's debentures were bought by institutional investor groups including life insurance companies, asset management firms, government funds, cooperatives, and other financial institutions. The company's green bond is verified to conform with the Climate Bonds Standard to ensure best practices for climate integrity, management of proceeds and transparency,” Bangkok Post noted. VIR

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RETAIL

Masan's revenue surges 16 percent

Leading consumer retailer Masan saw revenues in the first half rise 16.4 percent year-on-year to VND41.2 trillion (\$1.79 billion) thanks to double-digit growth in retail and meat businesses.



Pre-tax profit surged over six times to VND1.6 trillion, partly driven by the improving profit margin of VinCommerce, which operates the VinMart retail chain.

After securing a deal with beverage chain Phuc Long in the second quarter, Masan has opened 41 Phuc Long Kiosks in VinMart+ locations as of July 21, with plans to bring the number to 1,000 by year end.

It has also been pushing online grocery sales via partnership with e-commerce platform Lazada, including a pilot 4-hour express delivery service from 14 VinMart supermarkets in Ho Chi Minh City and Hanoi.

Online sales accounted for 6.8 percent of VinMart sales in HCMC during June, compared to less than 1 percent in the first quarter.

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LOGISTICS

Ho Chi Minh City port stops receiving imports as containers pile up

Tân Cảng - Cát Lái Port in HCM City's newly created Thủ Đức city will temporarily stop accepting imports by businesses that have suspended production so that it can clear a huge backlog of containers that have piled up.



In an announcement, the Tân Cảng Sài Gòn (Sài Gòn New Port) Corporation said the pileup has been caused by firms reducing or suspending production since the city's lockdown began.

In the period, starting July 9, the number of trucks coming to the port to pick up cargo has declined sharply, and the number of containers stuck has climbed to nearly 100 per cent of capacity.

The port is also facing a shortage of employees, with the number halving to 250, exacerbating

the pileup.

Nguyễn Phương Nam, the corporation's deputy general director, said customers who have suspended production should stop importing goods through the port for the time being, though it would still receive them if the goods are already en route.

As for exports, oversized and excessively heavy goods and refrigerated cargo will also not be accepted until at least August 16.

Shipping companies have been told to persuade their customers to change the destination to Tân Cảng - Hiệp Phước Port in the city's Nhà Bè District or to Tân Cảng - Cái Mép International Terminal or Tân Cảng - Cái Mép Thị Vải Terminal in neighbouring Bà Rịa - Vũng Tàu Province.

The corporation has called on shippers to provide the estimated number of containers with imports and empty brought by vessels docked at its port in the next two weeks so that it can proactively rearrange space.

If the number of containers stockpiled reaches the port's maximum capacity, the port will have to stop receiving cargo.

The corporation has called on the city Department of Customs to seek the General Department of Việt Nam Customs' instructions for dealing with the backlog at the port.

Nguyễn Xuân Sang, director general of the Việt Nam Maritime Administration, said his agency has proposed solutions to the Ministry of Transport to resolve the urgent problems at the port.

VMA had opened a hotline at 0903 772 683 to receive calls so that it could support import-export companies and goods owners with loading and unloading of goods at the port.

It has also set up a command centre under the VMA, HCM City branch, to co-ordinate with port operators, shipping operators and other relevant agencies to quickly handle problems and ensure smooth operation of all ports.

It has instructed port authorities across the country to make plans to receive goods to prevent a similar situation.

Ports handle about 40 per cent of the country's imports and exports. VNS

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Danang calls on businesses for airport planning, Lien Chieu Port subdivisions

Authorities of Danang, the central city of Vietnam, are calling on individuals and businesses to submit proposals on the planning of its airport and Lien Chieu Seaport subdivisions under the 1:2,000 zoning scale.

The move is aimed at realizing the Prime Minister-approved adjustments to the strategic master plan for the major developments in the beach city to 2030, with a vision to 2050.

Nguyen Minh Huy, Director of the city's Management Board of Traffic Work Investment and Construction Projects, said the city is mobilizing all the resources to garner ideas and proposals that should be in sync with the planning the Danang International Airport for the 2021-30 period, with a vision to 2050, and the detailed planning of Lien Chieu Seaport subdivisions.

The airport subdivisions with a total research area of 1,327ha and a population of 104,000, features specialized functions and would become an important traffic hub of the city associated with the development of the so-called aerotropolis model.

The planning of Lien Chieu Seaport subdivisions is designed to have about 1,285ha with a population of 19,000 by 2030.

It is required that the preliminary planning of the aforementioned subdivisions must be made on the basis of the current map scale of 1:5,000 -1:10,000, with updates on the surrounding projects and the approved Danang Master Plan.

The plan also includes an urban landscape architectural design and a preliminary briefing for the landscape architecture space of the whole area.

The planning must be associated with proposals on management and implementation policies to ensure the investment attraction capacity of the subdivision, according to the city's Management Board.

Each participant can propose more than one option. The deadline for submission is November 15.

In earlier July, the Danang People's Committee received registrations made by nine domestic and foreign businesses for funding and making ideas on the zoning planning of functional subdivisions.

According to the municipal People's Committee, the Import-Export Pan Pacific Group (IPPG), BRG Group, and Sun Group will finance the zoning planning of the hillside urban subdivision.

The IPPG will fund the planning of the airport subdivision. The Sun Group will sponsor the planning of the green core center subdivision.

The Vietnamese BRG Group, the Singaporean Sakae Holdings Group, and SSF Investment Co., Ltd will sponsor the reviewing, adjusting, and planning of urban subdivisions in the Hoa Vang District.

The reviewing, adjusting, and zoning of tourist areas in the western ecological subdivision will be implemented by Singapore-based Sakae Holdings Group and SSF Investment Co., Ltd.

T&T Group will finance the formulation of the hi-tech subdivision in association with the planning of adjustments and expansion of the existing Danang Hi-tech Park. This group will also sponsor the planning of the subdivision along the Han River and its eastern bank.

The Keyhinge Toys Vietnam JSC will fund the planning of Lien Chieu Seaport subdivisions in sync with the detailed plan of the Lien Chieu Seaport project. Hanoitimes

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INVESTMENT

Arcturus Therapeutics ties up with Vingroup for vaccine manufacturing plant in Vietnam

Arcturus Therapeutics Holdings Inc. (Nasdaq: ARCT), a leading clinical-stage messenger RNA medicines company, announced the collaboration with Vingroup's Vinbiocare Biotechnology JSC (Vinbiocare) to establish a manufacturing facility in Vietnam for COVID-19 vaccines.



Under the terms of the arrangement, Vinbiocare will, with consultation from Arcturus, build out a manufacturing facility in Vietnam and Arcturus will provide Vinbiocare access to proprietary technologies and processes for the manufacturing of Arcturus' investigational COVID-19 vaccines.

Arcturus will provide Vinbiocare with an exclusive license to manufacture the vaccines in Vietnam at the facility solely for distribution in Vietnam. The license and technology transfer applies toward drug product manufacturing but not toward mRNA drug substance manufacturing. Technology transfer is underway.

Vinbiocare will make an upfront payment of \$40 million and be responsible for costs associated with the technology transfer. Vinbiocare will also pay for mRNA drug substance supplied by Arcturus and royalties on vaccines produced at the facility.

Arcturus investigational COVID-19 vaccines utilise Arcturus' self-transcribing and replicating (STARR) mRNA technology, and the STARR mRNA is delivered with Arcturus's lipid-mediated delivery system called LUNAR delivery system.

“We are very pleased to announce this relationship with Vingroup, and this contract with its subsidiary Vinbiocare, to help establish a manufacturing facility for our COVID-19 vaccine candidate, targeting a capacity of up to 200 million doses per year. We are looking forward to having a meaningful role in providing effective and safe COVID-19 vaccine to Vietnam as well as other countries around the world,” said Joseph Payne, president and CEO of Arcturus. VIR

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Industrial real estate bustles with M&A deals

Logistics and industrial park giants carried out many mergers and acquisitions (M&A) in the first half of this year, despite the Covid-19 outbreaks, according to Savills Vietnam.

The real estate consultancy reports that Boustead Projects (Vietnam) Company reached a deal to buy a 49 percent stake in KTG & Boustead Industrial Logistics Joint Stock Company. The deal involves 13 real estate projects totaling \$141 million, including some 840,000 square meters of land and around 550,000 square meters of leasable land.

The ESR Cayman Limited and BW Industrial Development Joint Stock Company joined hands to develop a 240,000-square meter industrial land area in My Phuoc 4 Industrial Park in the southern province of Binh Duong.

The KCN Vietnam Group Joint Stock Company spent \$300 million buying back a 250-ha land area. It plans to develop high-end warehouses and ready-built factories in cities and provinces across Vietnam, including Bac Giang, Hai Phong, Hai Duong, Dong Nai and Long An.

John Campbell, manager of industrial services at Savills Vietnam, said along with the M&A, there was significant foreign direct investment (FDI) in production and in industrial parks in Vietnam in the first half of this year. Most of the fresh FDI in production, \$1.97 billion, was poured into the northern region.

However, David Jackson, general director at Colliers Vietnam, another real estate firm, predicted that Vietnam would face some challenges in the second half of this year because of the latest Covid-19 outbreak. He also said that there are still some FDI bottlenecks in industrial real estate, including unsynchronous infrastructure, uncompetitive logistics costs, and inadequate mechanisms and legal regulations. VNE

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