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28.35 billion USD*

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FINANCE

Shares extend rally, getting closer to 1,200 points on Tuesday

Vietnam's stock market ended higher on Tuesday with the HNX-Index reversing course in the afternoon session.



SAB rose 1.58% to close Tuesday at VND205,500

The market witnessed 424 stocks climbing. Of which, 78 stocks hit the intra-day limit growth of 7%, while 290 stocks fell. Another 22 closed flat. Property developers including FLC Faros Construction Joint Stock Company (ROS) and Coteccons Construction Joint Stock Company (CTD) were among stocks hitting the ceiling price.

On the Ho Chi Minh Stock Exchange (HOSE), the VN-Index increased 0.62% to close Tuesday at 1,192.28 points. The gain was boosted by an increase of the large-cap tracker VN30-Index.

At the end of trading day, the VN-Index gained 0.48% to 1,169.03 points as investors continued to focus on some sectors such as banking and real estate. Sixteen of the 30 large-cap stocks gained value and nine dropped.

Stocks witnessing big gains included Hoa Phat Group Joint Stock Company (HPG) with an increase of 4.3% to VND44,900; Saigon Beer - Alcohol - Beverage Corporation (SAB) rose 1.58% to close Tuesday at VND205,500. Vietcombank (VCB), SSI Securities Corporation (SSI), JSC Bank For Investment And Development Of Vietnam (BID) also posted an increase of more than 1.0%.

On the Ha Noi Stock Exchange (HNX), the HNX-Index edged higher after paring the morning decline. The HNX-Index was up 1.3% at the end of Tuesday to 221.97 points.

In a daily report, Bao Viet Securities expected that large-cap stocks would continue the current rally to support the market. Cash flows would still focus on mid-cap and small-cap stocks to earn more during this period, the company added.

It also forecast that the VN-Index would soon reach its historic high territory of 1,200 - 1,220 points. But they warned that this would be a strong psychological resistance zone while the overbought trend in the market would continue to spread on a large scale in many stock groups. This might create a strong fluctuation during sessions.

On the other hand, foreign traders were net sellers on HOSE, unloading shares worth a net sell value of VND257 billion, while buying in VND10 billion on HXN. VNS

Dairy groups pursue public funding

A string of dairy companies are tapping into public funds and eager to expand their presence in both local and regional markets, while European players are expected to take advantage of country's stronger milk demand.

Last week, International Dairy Products JSC (IDP) – one of Vietnam's home-grown dairy producers – officially went public on the Hanoi Stock Exchange (HNX). The company has joined a rush of domestic dairy groups accessing public funds, such as Vinamilk, Hanoimilk, and Moc Chau Milk.

Dairy products portfolio					
Products	Moc Chau Milk	Vinamilk	TH true MILK	Friesland-Campina Vietnam	IDP
Ultra-high temperature processing (UHT) milk	x	x	x	x	x
Pasteurised milk	x	x	x		x
Yogurt	x	x	x	x	x
Powdered milk		x		x	
Fruit milk	x	x	x		
Milk alternatives (nut milk, and barley milk)		x	x	x	x
Condensed milk		x		x	
Special nutrition products for adults		x			
Ice cream		x	x		
Other dairy products (butter, cheese, and milk cake)	x	x	x		x

Dairy groups pursue public funding

As of last month IDP had four major shareholders, including Blue Point JSC (60.56%), Viet Capital Securities (15%), Lothamilk JSC (10.18%), and company general director Pham Minh Loan (5%).

In July, VinaCapital Vietnam Opportunity Fund (VOF), the flagship fund of VinaCapital, confirmed completion of divestment of IDP.

The fund, along with co-investment partner Daiwa PI Partners, completed the divestment of the remaining stake in IDP to a consortium led by Blue Point at an additional premium

relative to the previous partial exit value, and have received \$45.4 million in net proceeds for the remaining 37% stake in the company.

Meanwhile Vinamilk – the country's largest milk provider – controls the majority stake (around 7%) in GTNFood JSC, the parent firm of Moc Chau Milk, after a tie-up deal in 2019. Moc Chau Milk has demonstrated its public fundraising ambition on the Unlisted Public Company Market (UPCoM).

Specifically, the company raised its foreign ownership limit to 100%, signalling its potential and allure to local and foreign investors. With assistance from Vinamilk, Moc Chau Milk is expected to accelerate its operational efficiency, profit growth, and brand awareness nationwide.

The processing and trading dairy industry in Vietnam is seeing considerable development potential. According to the General Statistics Office, Vietnam's milk production in 2019 reached 986.1 million litres, accounting for 0.07% of global milk production and reaching only 35% of the domestic demand.

Despite Vietnam's lower per-capita milk consumption compared to regional peers, positive economic development and stronger nutritional needs are the growth drivers of the landscape.

According to Euromonitor, Vietnamese cow milk demand grew strongly in the 2015-2019 period, with 12% compound annual growth rate (CAGR) which is expected to continue to grow at 10% CAGR over the next five years.

Moc Chau Milk has yet to take full advantage of the supply chain and brand, mostly due to ineffective management under the previous board. With the presence of Vinamilk in its governance, Moc Chau Milk eliminated several on-core segments and proposed 2020-2024 investment and restructuring plans, such as upgrading existing farms and implementing a high-tech farm with ecotourism.

In terms of Vinamilk, although milk export to the Middle East reached double digits in on-year revenue growth as of September 2020, milk export to the United States is likely to remain low, dropping approximately 22.4% on-year due to the negative impact of the pandemic.

Once-iconic milk provider Hanoimilk, however, has encountered a bumpy road in recent years. In May, Hanoimilk was delisted from the HNX, before the firm filed for an initial public offering on UPCoM. In mid-December, Hanoimilk was once again labelled as “stock under trading restriction due to late disclosure of reviewed financial statement 2020 (over 45 days), and failure in overcoming causes that led to trading restriction status”, cited from the official announcement of HNX.

On the flip side, the dairy industry is expected to witness fiercer competition in the next few years. The decline in labour income and the rise of unemployment rate to 2.26% has triggered an increase in price sensitivity, raised competition among dairy manufacturers, and slowed down dairy product premiumisation, especially in rural areas.

Anh Nguyen, analyst at Bao Viet Securities, noted that the consumption of milk alternatives such as nut milk will continue to grow in the future thanks to the healthy eating trend – however, nut milk growth will also fall under the influence of the COVID-19 pandemic.

“The EU-Vietnam Free Trade Agreement (EVFTA) outlines a schedule of tax elimination in the next 3-7 years for milk and dairy products imported from Europe, which are currently subject to 15-30% tariffs. Three years after the EVFTA’s enforcement, tariffs on dairy items from EU players will fall 5-20%. Domestic dairy products are expected to compete fiercely with imported products in the future,” said Nguyen.

Alice O’Donovan, legal and policy advisor at the European Association of Dairy Trade said, “Currently per capita consumption of milk in Vietnam is low. While there is dairy production in Vietnam, self-sufficiency in milk is still quite far off. We expect that the EVFTA will create a boost in exports to Vietnam, with investment by European companies in Vietnamese dairy production also being a possibility.” VIR

Be Group partnering up with VPBank to launch Cake digital bank

Be Group (the developer of Be ride-hailing app) and VPBank have officially introduced Cake digital bank, a new solution for e-banking. This is the first time that a digital bank will appear on the interface of a ride-hailing app in Vietnam.

Cake provides a variety of products and services similar to a traditional bank, which include opening accounts, transferring-receiving money, paying bills, saving deposits, and issuing debit cards, among others. One of the most notable features on Cake is the e.KYC system which helps customers settle

contracts digitally with just their digital signatures. An account can be opened quickly in just about two minutes without having to visit a teller.



Cake also offers a free lifetime service and free card issuance to account holder's home. All of the products and services provided by Cake are licensed by the State Bank of Vietnam through VPBank.

BeFinancial, as part of Be Group, will participate in the operation of Cake thanks to a long-term strategic agreement between VPBank and Be Group. This is included within the framework of the fintech ecosystem improvement plan signed by Be Group and

VPBank in May 2019, aiming to optimise the user experience of individual customers and drivers.

Under this agreement, beFinancial will carry out tasks in the fintech industry such as providing software, products, services, developing and operating new technologies like e.KYC and e.Contract/e.Signature as well as a slew of other features within Cake. BeFinancial's main field of activity is the research, development, and provision of solutions related to fintech. BeFinancial will also help Cake expand when it comes to customer and business development in a purely digital environment.

With this launch, for the first time ever in the Vietnamese market, a digital bank will appear directly on the interface of a ride-hailing app. Thanks to this, 10 million Be customers and drivers will potentially receive all the benefits brought by Cake in terms of finance and payment. At the same time, customers will have a quick, convenient, secured, and profitable transaction channel right in the palm of their hands.

Nguyen Hoang Phuong, CEO of Be Group stated that, “Be Group understands that e-banking will not simply stop as a new payment method but it will also encompass a new technology that can be integrated into our every day lives through essential devices. This enables us to offer a suitable financial solution for the betterment of people's lives. Cake was completed by beFinancial's team of developers. This is our next important step to upgrade Be's ecosystem, which is on its way to become a leading open digital platform in Vietnam. The goal of Cake is to bring outstanding benefits in fintech to customers and drivers. In the long run, we want Cake to become a trusted financial service for the Vietnamese people.”

Nguyen Duc Vinh, CEO of VPBank shared, “Expanding the partner ecosystem has always been a focus for VPBank in recent years. We consider Be Group is a perfect partner for VPBank's future development of digital platforms in terms of technology, operations, and targeted customers. The cooperation with Be Group in the recent digital banking's launch is expected to bring users a preeminent financial product, in line with the development trend shaping the new era.”

Cake is expected to give Be, an original "Made in Vietnam" application, a competitive edge compared to other foreign competitors.

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E-COMMERCE

Bright future tipped for Vietnam's e-commerce market

Vietnam's e-commerce market is forecast to continue growing strongly in the time to come thanks to a big population with high rates of young people and internet users.



Classification of goods at e-commerce firm Lazada

According to the Ministry of Industry and Trade, Vietnam is currently considered one of the fastest-growing e-commerce markets in Southeast Asia.

The ministry this year will focus on developing e-commerce infrastructure, building and completing institutions and legal framework relating to e-commerce, and creating a transparent and favourable legal environment for Vietnamese businesses and consumers.

It will also submit to the Government a decree amending and supplementing a number of articles in Government Decree No 52/2013/ND-CP dated May 16, 2013 on e-commerce, and enhance the integration and sharing of electronic data on the handling of administrative procedures between the MoIT and the People's Committees of cities and provinces via the National Public Service Portal and the National Government Service Platform (NGSP).

Attention will be given to promoting the application of information technology (IT) and digital transformation in managing, operating, and finalising platforms for e-Government at the ministry.

Inspection and examination for any violations regarding e-commerce will be strengthened, especially for businesses and the owners of e-commerce trading floors, in order to ensure the origin and intellectual property rights of goods sold via online platforms.

E-commerce activities were improved last year, contributing to driving its development nationwide.

The ministry arranged for the application of blockchain technology in goods traceability for certain agricultural products in order to promote the export of farm produce in the context of the EU-Vietnam Free Trade Agreement (EVFTA) being ratified and coming into effect.

The ministry has worked on digitalising market information systems and upgrading the export support platform at ECVN.com, which is the first such platform in the country to support local businesses in exporting and seeking international partners.

According to the ministry, about 53% of the population shopped online last year. Despite the impact of the COVID-19 pandemic, Vietnam's e-commerce revenue grew 18% during the year, hitting 11.8 billion USD and accounting for 5.5% of total retail sales of consumer goods and services nationwide.

The MoIT has exerted every effort to improve consumer confidence in e-commerce, strengthened the capacity of infrastructure systems and supporting services for e-commerce, promoted the application of e-commerce in key export industries, and developed e-commerce in localities./VNA

Southeast Asia's superapp battle, explained

Two of Southeast Asia's biggest ride-hailing apps -- Grab and GoJek -- are making plays to take on Sea Limited, the region's consumer internet giant.

Eleven nations make up Southeast Asia (SEA): Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Timor-Leste, Thailand, and (this writer's country of heritage) Vietnam!

While this market is not nearly as big as China or India, its relatively young combined population of 650m+ people is nothing to sneeze at.

And this week, 2 of SEA's biggest ride hailing and delivery apps — Grab and Gojek — made big plays to win the prize.

The startups are aping the playbook of WeChat

The Chinese superapp basically combines DoorDash, Uber, Paypal, Cash App, WhatsApp, and Twitter all into one platform. As many developing nations lack fully developed services (e.g., communications, finance, transportation) there is white space for a single app to be a one-stop shop.

Take Grab: In 2018, it ended a bitter ride-hailing feud with Uber (now, a minority owner in the startup) and launched a fintech business. Yesterday, that fintech unit raised **\$300m** to expand its payments, loans, investments, and insurance products, according to *The Information*.

Grab was in talks to merge with Indonesia-based GoJek...

... but the deal ultimately fell through, partially around antitrust concerns of combining the region's 2 biggest ride hailers.

GoJek is now in merger talks with Indonesia's top ecommerce firm, Tokopedia, per *Nikkei Asia*. The combined entity would be valued at **\$17B+**, more than Grab's **\$14B+**. While both Grab and GoJek operate across the region, Indonesia has the largest population (~268m) in SEA and a GoJek-Tokopedia merger could secure that prize.

Grab and GoJek are going after the biggest fish in the pond

SEA's superapp leader is Sea Limited, a \$100B+ consumer internet beast that combines games, ecommerce, and finance. The region's only publicly listed superapp, Singapore-based Sea, saw its valuation grow more than **4x** in 2020, giving it a source of cheap capital. To compete, Grab and GoJek will likely have to go public.

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LOGISTICS

Aviation EU investors to pour \$1 billion into logistics center in Phu My

Many big investors from the EU have expressed a willingness to invest \$1 billion in a logistics center in Phu My.



The Ba Ria – Vung Tau provincial People’s Committee has sent a report to the Government Office about the Cai Mep Ha Logistics Center project in Phu My.

The report says the project has caught attention from the Netherlands and Belgium. The two countries have sent documents to Prime Minister Nguyen Xuan Phuc,

asking the EU-Vietnam investors, including Besix – IPEI (Belgium), Hateco (Vietnam) and Boskalis (the Netherlands), to implement the project.

Phuc, at a recent reception of the Dutch and Belgian Ambassadors to Vietnam and investors from the EU last September, applauded the investors’ determination to invest \$1 billion in Cai Mep Ha Logistics Center.

The PM has asked the Ba Ria – Vung Tau provincial People’s Committee to join forces with the Ministry of Planning and Investment (MPI) to consider the proposal by investors and report related issues to him.

The interest in the large project shows the active reponse of European countries to the EVFTA which took effect on August 1, 2020.

During his working visit to Belgium in 2018, Vietnamese Prime Minister Nguyen Xuan Phuc and Belgian Prime Minister Charles Michel witnessed the signing of an MOU between Hateco Logistics and IPEI N.V on the cooperation of the two sides to study the project.

In 2019, the Dutch Embassy also sent a document recommending cooperation between Vietnam, Belgium and the Netherlands to implement the project. Later, the Belgian Embassy sent a document on Vietnam-Belgium cooperation to develop Cai Mep Ha logistics center.

Reports show that as of early 2020, Vietnam had increased the number of harbors to 34 and expanded harbor areas by 8 times in the last 20 years.

Of these, Cai Mep Port in Phu My, Ba Ria – Vung Tau, is capable of receiving container vessels with tonnage of up to 214,000 tons. Hai Phong Port in the north is capable of receiving vessels with tonnage of up to 132,000 tons.

Vietnam strives to increase the volume of goods to go through the ports to 1.14-1.42 billion tons a year in the time to come. Therefore, it will focus on developing the Hai Phong and Cai Mep Ports to meet international standards.

Most recently, Vietnam received the largest container vessel in the world with tonnage of 214,000 tons and carrying capacity of 18,300 containers, 400 meters long and 59 meters wide, which docked at Cai Mep Port (CMIT) on December 26, 2020.

CMIT has become one of the 20 largest ports in the world capable of receiving large vessels.

Vietnamese ports on pace to post banner year

Vietnam's port sector will flourish this year as trade in goods is expected to thrive on the back of recovery in production, domestic consumption, and export markets, according to industry analysts.

The country enjoyed robust trade last year despite COVID-19, with high export value on the back of orders from the US.

Total foreign trade was estimated at 543.9 billion USD, a year-on-year increase of 5.1%, with the country posting a trade surplus of 19.1 billion USD, its highest since 2016.

According to the Viet Dragon Securities Corporation, the volume of goods handled at local ports picked up after the second quarter last year, with the pandemic encouraging many multinational corporations (MNCs) to shift production to Vietnam. It said this trend will continue as Vietnam integrates more deeply via free trade agreements (FTAs).

Market researcher Fitch Solutions has forecast that Vietnam's trade revenue will grow by an average of 11% each year during the 2021-2024 period, sparked by better trade relations through FTAs such as the EU-Vietnam FTA (EVFTA) and the Regional Comprehensive Economic Partnership (RCEP).

The country is developing its logistics infrastructure, which has been described as an important factor amid the post-pandemic reshoring of global supply chains.

Along with various road construction projects, the development of deep-water ports has been paid due regard, such as the Gemalink Port at the Cai Mep - Thi Vai International Port (to be operational in 2021), and the third and fourth wharves at Lach Huyen Port (expected to begin operations in 2025).

The deep-water ports can berth large container vessels and help cut logistics costs as there is no need to send products to a trans-shipment hub. They also help improve the competitive edge of the local logistics sector.

Vietnam will continue to be an attractive destination for MNCs. Occupancy rates at industrial parks has increased remarkably since foreign enterprises began shifting their business to Vietnam.

Analysts anticipate several challenges for the port sector in the short term, however.

The Vietnam Marine Administration said that the total weight of goods handled at Vietnamese ports fell in October and November after rising 14% in the first nine months of last year.

SSI Securities Corporation attributed the decline to a shortage of empty containers, which is worsening in Asia as importers in the US and Europe struggle to return empty containers to Asian manufacturing hubs because of social distancing at home.

This issue cannot be addressed overnight, since high demand for empty containers is likely to last until the Lunar New Year in mid-February, SSI experts said.

Meanwhile, VDSC experts believe the country's import-export activities will be affected when demand from major markets like the US, the EU, and China falls due to the pandemic.

They forecast that Cai Mep - Thi Vai will see a surge of over 20% in maritime transport flows owing to direct sea routes with the US and the EU. The volume of cargo settled at Hai Phong Port, meanwhile, is expected to rise 10% thanks to a recovery in trade within Asia and robust signs in the US.

Increases in stevedoring prices are said to have less impact at Hai Phong Port. Fierce competition due to oversupply will force ports to cut service prices to maintain relations with ship owners.

The stock prices of port companies have increased significantly due to the sector's bright prospects and improving business.

From the end of the second quarter to January 8, the shares of the Vietnam Container Shipping Corporation, coded VSC, rose over 117%, while those of the Gemadep Corporation (GMD), Doan Xa Port JSC (DXP), and the Tan Cang Logistics and Stevedoring JSC (TCL) increased over 82%, 68%, and 27%, respectively./.VNA

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RETAIL

Vietnam's retail sector and the "race" to attract customers from the green marketing campaign

Vietnam is categorized in the group of the world's most attractive retail markets, but along with it is the fierce competition among retailers to lure customers. Recently, retailers have launched a series of green marketing campaigns to win the heart of Vietnamese consumers, according to YouNet Media.

extracted from the Performance evaluation for CSR activities on Social Media in Vietnam 2020”

Green marketing tendency is implemented strongly by both local and foreign retailers, an industry expert says green consumption has become a trend that develops well in Vietnam when green environment protection has become a prime concern. Local consumers are more interested in brands with "green value" when choosing a venue for shopping. Thus retailers have opted for green marketing campaigns to approach and attract customers.

As a bustling market with an annual two-digit growth rate over the past five years, most of the big retailers in the region have been present in Vietnam, namely LOTTE Mart etc. Meanwhile, domestic retailers have become stronger and stronger, making the retailers' race to win the market with nearly 100 million people become harsher and harsher.

According to the survey "Green Marketing Effect in the Retail Sector from Social Listening Perspective" announced by YouNet Media, a leading social analytics platforms and services in Vietnam, Green Marketing-centric corporate social responsibility (CSR) activities were carried out by most of retailers in 2020, marking the concern of a large number of consumers on social networks.

The survey shows that over 22,800 debates of consumers made in 2020 have recognized 12 outstanding CSR activities of the top nine leading retailers. The top four retailers of these have made the most successful CSR campaigns, attracting the highest number of interactions from Vietnamese consumers in 2020, including LOTTE Mart.

Also according to this survey, the "LOTTE Love Human" campaign launched by LOTTE Mart with a series of green marketing activities aiming to change Vietnamese consumers' awareness of environmental protection has been discussed the most on social networks.

According to YouNet Media, the implementation of CSR activities with superior strategy than other retailers has helped LOTTE Mart win the confidence of consumers. When referring to the keywords concerning the environment, 64% of the debates have mentioned LOTTE Mart. Over 80% of the discussions have mentioned this retailer with such keywords as "LOTTE Love Human", "L-Care", "Eco green".

The success of the "LOTTE Love Human" campaign has enabled the South Korean retailer to take the lead of two of the three criteria assessing the efficiency of CSR-Green Marketing activities – Brand Love and Brand Image. Thai retailer MM Mega Market led the Brand Awareness criterion.

As remarked by experts, the green consumption tendency will become stronger in Vietnam in the years to come when the fight against environmental pollution and climate change is alarming issues in the country. Therefore, retail brands with "green value" will have an edge in luring Vietnamese consumers.

HCM City's retail market grows by 11.9% despite pandemic

The retail market of the southern largest economic hub of Ho Chi Minh City grew by 11.9% to over 32.8 billion USD.

Data from a number of large retailers showed that the market began to bustle again in the second half of 2020 after an initial slump.

It was partly due to trade promotion activities undertaken toward the end of the year and a recovery in consumer demand due to the Government's efficient containment of the disease.

The food and beverages sector reported a 15.9% rise in earnings before interest and tax.

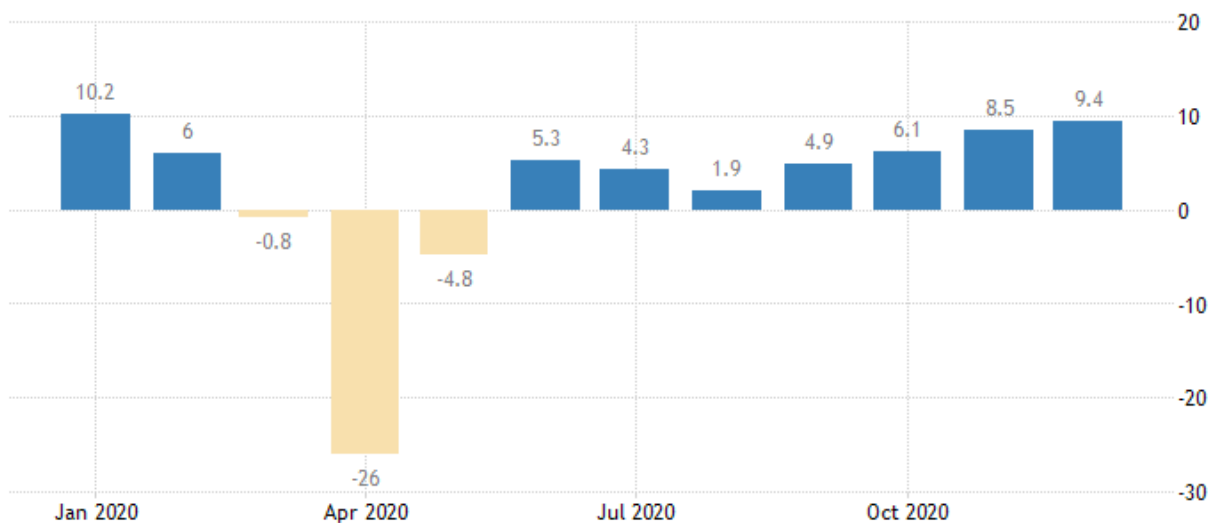
The pandemic caused a boom in e-commerce as shopping behaviours changed.

According to several market research companies, retail chains have to restructure since brick-and-mortar stores face shrinking profit margins because of fewer customers and soaring costs.

This year the market grew by 6.8% last year to over 172 billion USD despite the debilitating economic effect of the COVID-19 outbreak./ VNA

Vietnam's retail sales see lowest growth in 9 years

This year's retail sales growth was much lower than 9.5% seen in 2019 and was also the lowest rate in the 2011-2020 period due to the significant impact of the COVID-19 pandemic.



SOURCE: TRADINGECONOMICS.COM | GENERAL STATISTICS OFFICE OF VIETNAM

Revenue from retail sales of consumer goods exceeded 3.9 quadrillion VND, up 7% year-on-year or accounting for 79% of the total. Especially, revenue increased by 10.7% for food and foodstuff; 7.5% for

the group of household appliances, tools and equipment; 3% for garments and 1% for cultural and educational services.

Meanwhile, revenue from accommodation and catering services dropped by 13% year-on-year to 510.4 trillion VND, making up 10% of the total. Last year, the revenue from these services saw a yearly increase of 9.8%.

Other services also experienced a slight revenue decline of 4% to 535 trillion VND in 2020.

However, VNDirect Securities forecast that the nation's retail sales growth would bounce back to pre-COVID-19 levels next year, reaching 8.5-9% year-on-year.

The projection was made on the back of the country's successful containment of COVID-19, which was a major contributor to the economic rebound in the third quarter that saw unemployment fall 0.23% against the previous quarter to 2.5%.

VNDirect also predicted that consumer confidence would likely recover soon, against a backdrop of COVID-19 vaccines expected to be available in 2021.

With the rapid growth of the middle class and rising per capita income, domestic consumption remained the main growth driver of the retail industry, even during COVID-19.

The Ministry of Industry and Trade expected the domestic trade sector's added value to contribute 13.5% to GDP by 2025 and total retail sales of goods and services to grow around 9-9.5% annually over the next five years.

The ministry forecast that total retail sales would reach nearly 350 billion USD by 2025.

The market's recovery offers huge opportunities for retailers to expand their distribution networks.

Saigon Co.op is targeting to add at least 2,000 stores to its chain over the next five years, with revenue rising 8-10% annually.

Major Japanese retailer Muji, which sells a wide variety of household and consumer goods, has opened its first store in Vietnam, in HCM City, and is planning to open another in Hanoi, it added.

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ENERGY

Ninh Thuan working to establish itself as national renewable energy centre

With highly favourable natural conditions, the south-central coastal province of Ninh Thuan is preparing a plan to become a renewable energy centre in Vietnam and to develop the sector into a pillar of the local economy.



The wind and solar power plant project in Loi Hai and Bac Phong communes of Thuan Bac district has been carried out quickly thanks to support from Ninh Thuan province's authorities

HCM City - With highly favourable natural conditions, the south-central coastal province of Ninh Thuan is preparing a plan to become a renewable energy centre in Vietnam and to develop the sector into a pillar of the local economy.

Data reveals that Ninh Thuan has the lowest rainfall in the country and abundant sunlight and wind resources, with wind

speeds during 10 months of the year at 6.4-9.6 metres per second, which can ensure the stable operation of wind turbines.

Five local areas have been zoned for wind power development, with expected total capacity of 1,429MW, which can be raised to 2,000MW, according to its wind power development planning for 2011-2020 and vision to 2030 approved by the Minister of Industry and Trade.

A further 841 MW has been added to this planning, following the Prime Minister's approval

The provincial People's Committee has given in principle approval to 15 projects with a total capacity of 766.45 MW, three of which, 181.55 MW, have already been put into commercial operation

Regarding solar power potential, the province boasts considerable solar radiation and a long sunshine duration, about 2,600-2,800 hours and 200 days each year, with solar radiation totalling over 230 kcal per square centimetre.

Chairman of the provincial People's Committee Tran Quoc Nam said it has given in principle approval to 37 solar power projects with total capacity of 2,576 MW, including 32 projects with 2,256 MW already operational.

Ninh Thuan has also issued planning for the Ca Na liquefied natural gas (LNG)-fired power centre, which will have a capacity of 6,000 MW, and is selecting investors for implementation.

Investment in and the operation of renewable energy projects have greatly contributed to local socio-economic development. They have also helped the province’s economic structure have a higher proportion of clean energy, contributing greatly to the local budget and creating more than 17,380 jobs.

Nam noted that Ninh Thuan is paying attention to both environmental protection and socio-economic development, adding that environmental impact assessments have been made for all renewable energy projects.

In the time ahead, he added, it will propose central agencies provide more mechanisms and policy support for the province, such as supplementing renewable energy planning and developing power transmission lines.

Local authorities also pledge to create optimal conditions for investors in the sector, Nam said.

An Giang has new solar power

The Sao Mai-An Giang solar power plant, invested by the Sao Mai Group in the southern province of An Giang, has been completed and expects to generate nearly 400 million kWh of electricity to the national grid each year, the group announced on January 12.



An Giang – The Sao Mai-An Giang solar power plant, invested by the Sao Mai Group in the southern province of An Giang, has been completed and expects to generate nearly 400 million kWh of electricity to the national grid each year, the group announced on January 12.

The plant, located in An Hao commune, Tinh Bien district, was built with total investment of over 6 trillion VND (more than 260 million USD at current exchange rate). It has a total capacity of 210 MWp.

After two years of construction, the plant was connected to the national grid on December 2, 2020. It employs more than 100 local workers and is expected to pay more than 120 billion VND to the province’s budget, said Chairman of An Giang People’s Committee Nguyen Thanh Binh.

According to the official, An Giang has great potential for the development of renewable energy, including solar energy. The province has proposed that the Government invest in a 500kV transmission line connecting An Giang with O Mon in Can Tho city in the 2021-2025 period. If approved, the transmission line will facilitate the development of renewable energy plants in the province.

JBIC lends \$636m to Vietnam coal power project

The Japan Bank for International Cooperation has agreed to lend \$636 million to Vung Ang 2 Thermal Power Limited Liability Company (VAPCO) for financing the construction of a coal fired power plant in Vietnam.

The loan will be co-financed with the Export-Import Bank of Korea (KEXIM) and private lenders, with the total co-financing amount estimated \$1.8 billion. JBIC will provide the money through JBIC's Growth Investment Facility, which aims to provide support for Japanese firms in overseas merger and acquisitions and infrastructure investment.

VAPCO will build, own and operate a coal-fired power plant with 1,200 megawatts (MW) capacity installed in the Vung Ang district, Ha Tinh province in Vietnam. Electricity generated by the plant will be sold to Vietnam's state-owned company Vietnam Electricity (EVN) for 25 years, a statement said.

Infrastructure expert John Yeap of Pinsent Masons, the firm behind Out-Law, said: "As Vietnam prioritises gas fired power plants and renewables, legacy coal fired power projects have had a challenging time achieving financial close. This announcement by JBIC is therefore a significant milestone achievement for the Vung Ang 2 project."

"Whilst the policy priority on gas and renewables is very much in keeping with energy policies internationally, these legacy coal-fired deals will nevertheless help Vietnam achieve energy and fuel diversification," he said.

Japan became the second largest foreign investor in Vietnam in 2019 with 4,385 projects worth over \$59.33bn in registered capital. In October 2020, the two countries signed 12 cooperation agreements for improving Vietnam's infrastructure during Japanese prime minister Yoshihide Suga's visit to Vietnam. In December, Japanese ambassador to Vietnam Yamada Takio said more Japanese investment capital would flow to Vietnam once the Regional Comprehensive Economic Partnership (RCEP) comes into effect.

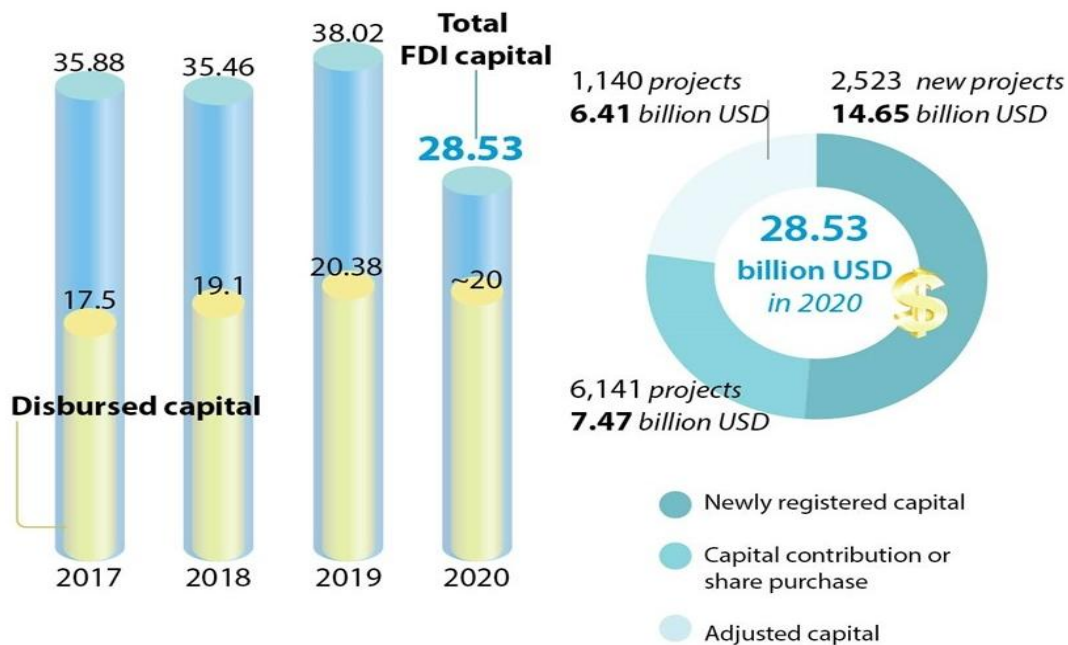
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INVESTMENT

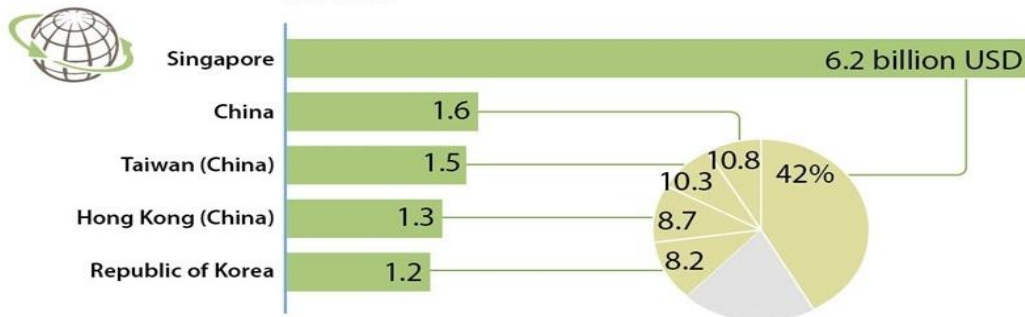
2020 FDI attraction hits 28.35 billion USD

Foreign investors had poured more than 28.5 billion USD into the Vietnamese market as of December 20, equivalent to 75% of the amount in the same period last year.

FDI attraction over years (billion USD)



Countries/territories with newly registered projects in 2020



Korean firm expands tire cord plant in Vietnam

Kolon Industries, an industrial materials producer of the Republic of Korea (RoK), on January 12 said it will expand its tire cord plant in Vietnam to increase exports from the Southeast Asian country, the Yonhap News Agency reported.



Seoul – Kolon Industries, an industrial materials producer of the Republic of Korea (RoK), on January 12 said it will expand its tire cord plant in Vietnam to increase exports from the Southeast Asian country, the Yonhap News Agency reported.

The company will invest 68 billion KRW (62 million USD) in its wholly-owned Kolon Industries Binh Duong Company Ltd. to help the

Vietnamese subsidiary expand the plant by September next year.

Tire cords are used as reinforcing materials for tires, designed to keep tires in shape and to enhance durability.

Kolon Industries invested 140 billion KRW to build a 16,800 tonne-a-year tire cord plant in Vietnam in 2018. The planned investment for the expansion will bring the plant's output capacity to 36,000 tonnes a year. The company has 3 tire cord plants in the RoK, China and Vietnam, with their overall output capacity reaching 103,200 tonnes. VNA

E-wallet MoMo raises series D investment led by Goodwater, Warburg

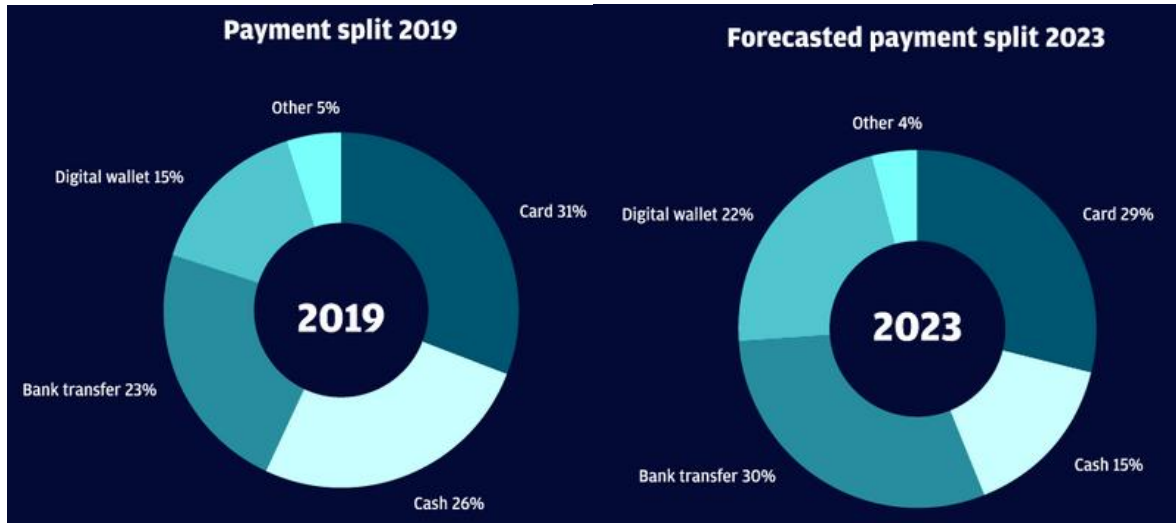
M-Service, the company behind Vietnam's largest e-wallet by users MoMo, has raised an undisclosed amount in Series D fundraising, the company announced on Wednesday.

The round was co-led by Silicon Valley investor Goodwater Capital and existing shareholder Warburg Pincus. New investors Kora Management and Macquarie Capital, as well as existing investors Affirma Capital and Tybourne Capital Management also joined the fundraising.

The deal comes 2 years after its Series C round led by Warburg Pincus. Investment details of the Series C round were not disclosed, but it's rumored that value at around \$100m.

Nguyen Ba Diep, co-founder of MoMo, told that the Series D funding was larger than its previous round, and will be used to drive the company's super app ambition as well as launch Innovation Ventures, its own investment arm to back local startups that can be integrated into MoMo's ecosystem.

Warburg Pincus remains the largest shareholder in MoMo, the US PE giant's head of Southeast Asia Jeffrey Perlman said in a statement. Eight foreign shareholders, including one individual, hold 66.4% of the company.



Source: JP Morgan 2020 E-commerce Payments Trends report

Vietnam is a mobile-first market, with the majority (57%) of sales taking place on a mobile device, JP Morgan commented in its 2020 E-commerce Trends Report. It also predicted that the share of digital wallet as a payment method will rise from 15% in 2019 to 22% by 2023.

“Digital wallets are rising in uptake, primarily among affluent urban populations. In Vietnam, digital wallet use is 42% among the banked and 17% among the unbanked. MoMo, Moca and ZaloPay are the three most popular digital wallets in Vietnam’s two main cities, collectively taking 90% of online payments,” the US financial institution said.

However, only bank account holders in Vietnam can use e-wallets, and the unbanked population in Vietnam remains high at around 70%. The country’s central bank is working on providing banking services to more people, particularly in rural areas through initiatives such as agent banking.

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