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FINANCE

HoSE listed stocks start trading on HNX from March 29

The Hà Nội Stock Exchange (HNX) just announced a trading schedule of four companies transferring from the Hồ Chí Minh Stock Exchange (HoSE).

According to the announcement published on HNX's official website, shares of Bibica Corporation (BBC) and Southern Seed Corporation (SSC) will start trading on HNX on March 29.

Meanwhile, the first trading day on the exchange for Bến Tre Aquaproduct Import And Export JSC (ABT)'s and Viet Nam Fumigation JSC (VFG)'s shares is April 1.

Under early guidance from the State Securities Commission of Viet Nam, transactions of shares, which are transferred to HNX from HoSE, only have to suspend for at least 3 working days and they will be traded on HNX on the fourth day since the last trading day on HoSE.

HoSE, HNX and Vietnam Securities Depository (VSD) have discussed and achieved a consensus on the transfer process to coordinate the share moves.

Accordingly, after receiving shares transferring registration documents from enterprises, HoSE will release the last trading day of the shares on HoSE, which is expected to take five working days from when the announcement is issued.

Then HNX will publish the first trading day on HNX, which is expected in the fourth day since the last trading day on HoSE, as well as receive profiles of transferred shares to monitor transactions and disclose information.

Based on the above content, VSD transfers data from HoSE to HNX and sets up a system for trading on HNX. Listed companies don't need to submit registration documents for transferring to VSD. — VNS

Analysts see profit-taking as VN-Index hovers around 1,200 points

The market experienced a thrilling week as the VN-Index successfully peaked the historic high of 1,200 points after volatile sessions.

However, the index fell under the level in the next session, which was also the last trading day of the week, on selling pressure. The move makes analysts not so optimistic about the coming week.

The market benchmark VN-Index on the Ho Chi Minh Stock Exchange (HoSE) ended last week at 1,194.05 points after hitting 1,200.94 points last Thursday.

For the week, the index rose 1.06%.

Analysts from SSI Securities Corporation (SSI) said that despite the fall of the VN-Index in the last session, trading volume showed weaker-than-expected selling pressure meaning the index could get back to the resistance level of 1,200 points in the next sessions.

Việt Dragon Securities Corporation (VDS) also shared the opinion.

“The loss of the last session is just a small correction and the upward trend is still there. Many stocks are thriving, as well as on track to reach higher targets. Investors can focus on sectors with positive signs to invest more effectively,” the securities firm recommended.

According to MB Securities Co., the drop was partly due to portfolios restructuring of two ETFs, including FTSE ETF and V.N.M ETF.

And the break over 1,200 point-level also created profit booking activities. Some investors might take long positions under technical signs, while others might take profits.

However, volatile amplitude in correction sessions was narrow and the market’s liquidity stayed high which was a positive sign. It is possible that the market might fluctuate in the next sessions, and if the bottom purchase demand is still high, the chance for recovery is coming soon, according to MB Securities.

Meanwhile, some took a more cautious view. BOS Securities Corporation (ART) said that the market couldn’t make a breakthrough in short-term with weaker cash flows. Technical indicators showed signs of fluctuation chances in the market.

“There is possibility that the VN-Index hovers around 1,200 point-level in the next sessions. Therefore, investors put priority in watching the market and consider to reduce shares proportion if the cash flows are weaker when the market gains points,” BOS Securities added.

Last week, the HNX-Index on the Hà Nội Stock Exchange (HNX) closed Friday’s trade at 277.7 points. For the week, the index climbed 1.38%. The liquidity on both exchanges slightly increased against the week before and was higher than the twenty-week average with a trading value of VNĐ18.3 trillion per session.

Analysts from Saigon - Hanoi Securities JSC said that the gain in the liquidity was thanked to the portfolio restructuring activities, so the market’s current rally was not stable.

Information technology stocks posted the biggest gain in market capitalisation with an increase of 4%. Of which stocks with outstanding performance were FPT Corporation (FPT), up 4.3%, and CMC Corporation (CMG), up 7.1%.

This was followed by the banking sector with a rise of 2.5% in market capitalisation. Bank stocks posting big gains were VPBank (VPB), up 1.6%, Asia Commercial Bank (ACB), up 2.6%, MBBank (MBB), up 3.4% and Vietinbank (CTG), up 6.6%. Other sectors like consumer services and industry also recorded good performance, up more than 1%.

Finance, materials, oil and gas, pharmaceutical and health care, and consumer goods sectors increased 0.3 – 0.6% last week. — VNS

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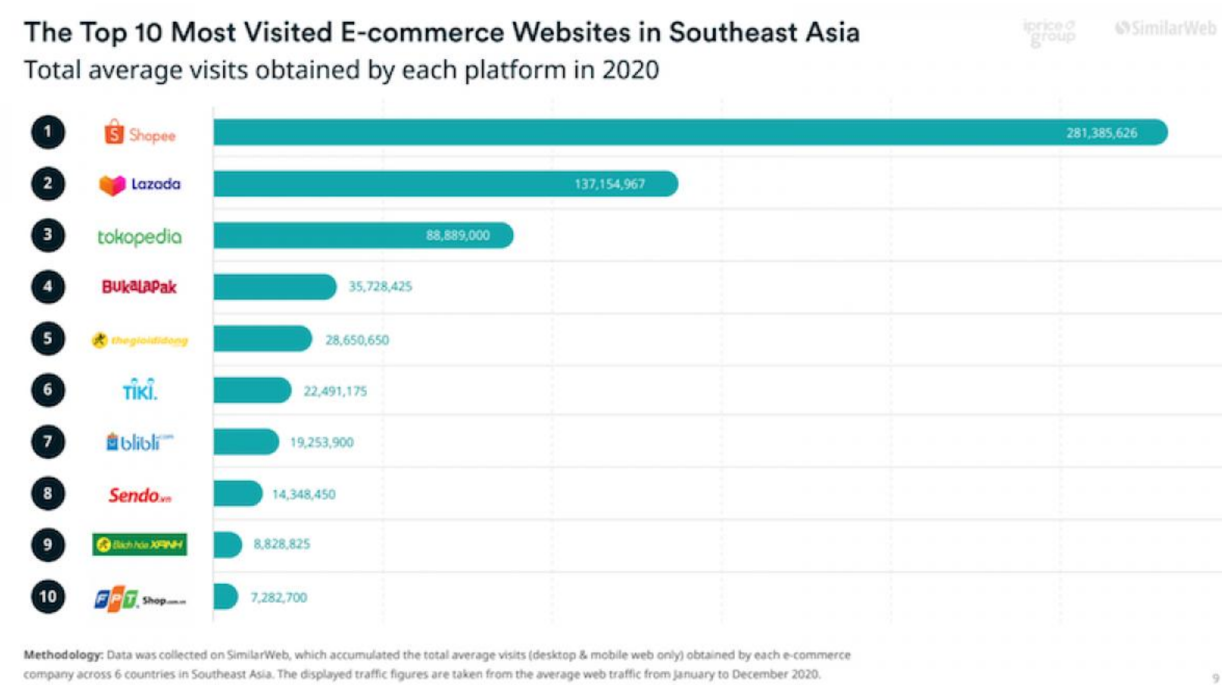
E-COMMERCE

VN companies listed in top 10 most visited e-commerce websites in SEA

Five Vietnamese companies have been listed in the top 10 most visited e-commerce websites in Southeast Asia despite the global pandemic affecting consumers in the region, according to the latest e-commerce report.



The Vietnamese e-commerce platforms are thegioididong and Bach hoa xanh (28.6 million and 8.8 million visits, respectively), Tiki (22.5 million visits), Sendo (14.3 million visits) and FPT Shop (8.8 million visits), according to the report conducted by iPrice Group, an e-commerce aggregator in collaboration with SimilarWeb and AppsFlyer.

Alibaba and SEA-backed Shopee and Lazada, and three startups 'unicorn' including Tokopedia, Bukalapak and Blibli from Indonesia were also on the list.

Three Vietnamese platforms, thegioididong, Tiki and Sendo remained the 5th, 6th and 8th positions among the top e-commerce sites web visits from the first quarter to the fourth one 2020.

Tran Tuan Anh, Managing Director of Shopee Vietnam, saw that 2020 was an especially transformative year for e-commerce. As consumers adhered to social distancing measures and stayed home, they turned to online platforms not just for their daily needs but also for entertainment and interaction.

"This led to online shopping evolving from a purely transactional experience to a more social experience, with e-commerce platforms integrating more interactive elements such as games and live-streaming to engage users," Tuan Anh said.

The report revealed that the overall website traffic of online shopping platforms increased positively in Vietnam and other ASEAN countries including the Philippines, Malaysia, Thailand and Indonesia year-over-year.

“Impacted by COVID-19, major e-commerce companies in Vietnam have taken a quick response to catch trends. They have rolled out other marketing campaigns that drew customers through gamified features on the app, free shipping and discounts,” a representative from iPrice said.

A recent report by Google, Temasek and Bain & Company mentioned that, to ensure sustained growth, talent is a key factor that businesses need improve as e-commerce is new while there are only a few schools and classes specializing on training human resources.

“Finding and nurturing talents can be one of the factors that create "thrust" for e-commerce businesses in the coming time,” a representative from iPrice said.

The larger “piece of cake” in the billion-of-dollar e-commerce market would belong to those who soon prepare, anticipate the market and execute their strategies. However, this success cannot be achieved overnight.

Mobile transactions in Vietnam to grow by three times by 2025

Mobile transactions in Vietnam are expected to increase by 300% between 2021 and 2025, led by strong growth in mobile payments, as revealed in the second edition of the Fintech and Digital Banking 2025 (Asia-Pacific) IDC InfoBrief,commissioned by Backbase.

Incumbents and new entrants alike will be jockeying for market share, and will look to compete on the basis of being digital-first. While the Asia-Pacific banking landscape saw the departure of some neo banks and fintechs due to COVID-19 challenges, incumbent banks in Vietnam benefited from the chance to build loyal customer bases and re-energise their businesses for the long-term.

However, we will still see 100 new challengers across the region by 2025, according to IDC. With new challengers presenting stronger post-pandemic propositions, there will be at least two digital banks in every Asia-Pacific market that will pose a significant challenge to incumbents. 30% of the business of Vietnamese banks are predicted to be under threat from new digital challengers.

Some fintechs that had gained sufficient size by 2019 also found success, gaining more market share than expected. Fintech categories that have typically shown success include payments, wealth advisory, alternative data, lending platforms, and account origination.

Meanwhile, traditional banks are increasingly focused on responding to changing consumer behaviour. Digital banks across the Asia-Pacific saw three times the growth in their customer bases compared to traditional banks in 2020/2019.

Strategic investments and growth priorities for 2025

One result of the economic downturn is a more humanistic type of customer centricity, as banks needed to communicate with customers in empathetic, trustworthy, and reliable ways that are complemented by digital innovations. There has been an increased integration of human agents into customer engagement strategies, as contact centres saw surges in usage.

The latest edition of *Fintech and Digital Banking 2025 (APAC)* found that 60% of banks in the Asia-Pacific will leverage AI or machine learning technologies for data-driven decisions, compared to 48% from the previous year. In Vietnam, core banking and payments system modernisation are the top 2 priorities among the top 8 banks in Vietnam in anticipation of rising consumer demands by 2025.

A back-to-basics trend has also overtaken the need for new revenue sources. Banks across the Asia-Pacific region will be focusing on digitalising their core business of lending with some focus, subsequently, on deposits. This is particularly evident in Vietnam, with 80% of banks having re-invested in credit risk and asset-liability management, as well as building up capabilities in lending. Vietnam will see double-digit growth for lending every year from 2021. New capabilities will be acquired from fintech partners: IDC predicts by the middle of 2021, 50% of lending decisions in retail banking across the Asia-Pacific will be supported by fintech propositions, underscoring accelerating bank-fintech collaboration.

Riddhi Dutta, regional director for ASEAN and South Asia at Backbase, said that, "COVID-19 has brought about significant changes in Vietnam and the Asia-Pacific's banking landscape, and banking and fintech players will need to quickly act on their digital strategies to capture market share. The report highlights key areas for Vietnamese banks, including massive growth in mobile as well as opportunities in lending. Backbase is committed to helping Vietnam’s financial institutions stay ahead in the digital race and develop the innovative banking models and experiences that Vietnamese customers now expect.”

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ENERGY

Wind power investors warned about risks of overdevelopment

Many wind power projects are being developed at a time when the transmission line has become overloaded. As a result, there could be difficulty selling power.

Dozens of wind power projects in Huong Hoa district in Quang Tri province, for example, are being executed in a hurry to be able to enjoy the preferential FIT (feed in tariff) of VND2,000 per kwh.

Huong Hoa has become the main wind power site of the province. There are 22 communes and towns in the district, and half of the communes have wind power investors.

Under Decision 39/2018, the tariffs are VND1,927 per kwh, or 8.5 cents for onshore, and VND2,223, or 9.8 cents, for offshore projects.

The current FIT applied to wind power stipulated in Decision 39 will expire on November 1, 2021.

Meanwhile, a report of the Electricity of Vietnam (EVN) released at a recent working session with Quang Tri People's Committee showed that the power plants, once operational, may not be able to sell their electricity output.

The total capacity of electricity sources in Quang Tri province which received approval from the Government is 4,724 MW.

In addition, another 12,000 MW of potential capacity is being considered in the eighth national power development plan.

While more and more wind power projects are being developed, the existing transmission system has not been upgraded, which had led to risks.

In an effort to use up wind power capacity, the Lao Bao 220 KV transformer station and the Lao Bao – Dong Ha 220 KV transmission line projects have been adjusted to scale.

However, the transmission capacity of these works is still limited, which doesn't allow the use of all the potential electricity output of the plants in the western part of Quang Tri province (in Da Krong and Huong Hoa districts).

The total additional capacity of renewable power sources in this part has reached 1,400 MW, exceeding the capability of EVN's existing transmission works and works under implementation.

EVN estimates that because of overloading in the inner-region 200KV/110KV network and the overloading of the 500 KV transmission line section, no more than 309MW out of 1,440 MW, or 21 percent of renewable power output, will be used this year.

The figures will be 404 MW/1,440 MW (28 percent) by 2023, and 763 MW/1,440 MW (53 percent)

In order to use up the capacity of the approved projects and develop more renewable power projects, especially in the western part of the province, EVN has asked Ministry of Investment and Trade (MOIT) and the Government to develop new transmission works, including the 500 KV Lao Bao, the 500 KV Lao Bao – Quang Tri 2, 220 KV Lao Bao – TBA 500 KV Lao Bao and Huong Linh 220 KV transformer station.

Fast licensing, slow site clearance

Investors have expressed concern over slow site clearance for transmission line project implementation.

Following MOIT's approval of power projects, the Quang Tri provincial authorities quickly granted licenses to the projects. However, the site clearance process hasn't gone so quickly.

At a working session with EVN leaders in late 2020, Vo Van Hung, chair of Quang Tri province, instructed local departments, agencies and district people's committee to support EVN's units in site clearance so as to hand over sites to the executor of the 500 KV Quang Trach – Doc Soi and 220 KV Dong Ha – Lao Bao Lines (47.5 kilometer long) prior to December 30, 2020.

However, the projects are still facing problems in site clearance, which has slowed project implementation.

An investor told VietNamNet that he was impatient about the execution of the transmission line project. It has taken several years to get approval for his project, to prepare land, and build the plant. Now, he doesn't know what will happen when construction of the plant ends, because the transmission line may still be under implementation.

An EVN leader said at a meeting with Quang Tri's chair in November 2020, EVN committed to complete the 220 KV Lao Bao – Dong Ha and 220 KV Lao Bao transmission works six months after the end of site clearance. However, the site clearance process is yet to finish.

"We hope that local authorities will hand over the site in March so that we can implement the transmission line projects," he said.

Capital mobilisation query leads power plan analysis

The third draft of the National Power Development Plan 8 (PDP8) is 843 pages thick but only nine of these cover financial issues, with an average mobilisation of $13 billion per year until 2045.

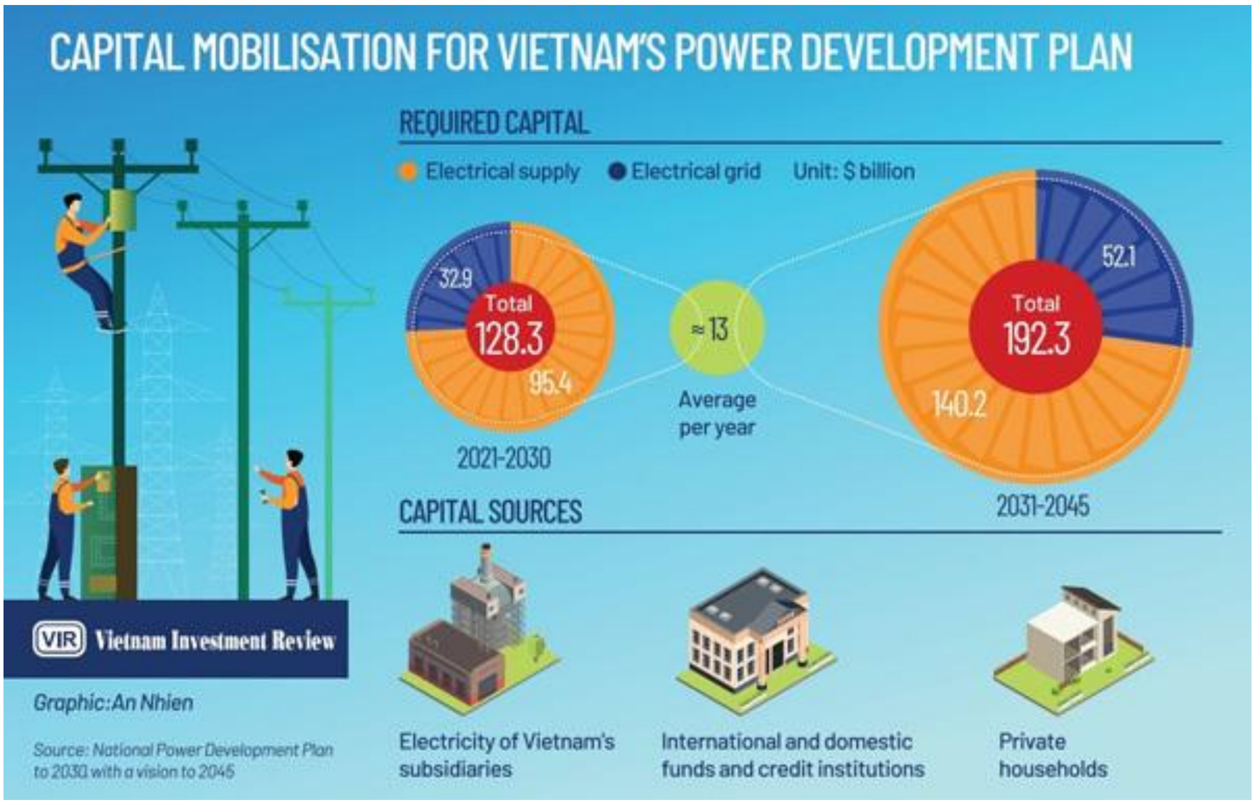
The capital is allocated to power generation, transmission lines for gas, and wind power sources, among others.

The draft, however, does not mention where to mobilise capital from, at home or from abroad, while possible solutions to this questions are all burdened with administrative procedures.

"The new PDP8 will be better than its predecessor," commented Ngo Duc Lam, former deputy director of the Ministry of Industry and Trade's Institute of Energy.

For the first time, the PDP8 closely adheres to the national development and energy development strategies – the previous plan could stick to Resolution No.55-NQ/TW of the Politburo on the orientation of the National Energy Development Strategy of Vietnam to 2030, with a vision to 2045.

The previous master plan, implemented from 2015 to 2018, failed and could not mobilise enough capital according to Lam. He said that, in mobilising capital for the PDP8, it is necessary to review its predecessor.



"Firstly, the assessment of the socioeconomic situation was not carried out properly, with GDP being forecast too high, so the first three years have to be adjusted which can be quite expensive. Next, the electricity development trend is not in line with the rest of the world. Climate change is making the world switch to renewable energy, but Vietnam is moving in the opposite direction, developing coal-fired power at a higher level," Lam criticised.

Lam found that borrowing from credit institutions to implement energy projects is also very difficult because many of them introduce technical barriers to environmental protection when lending to power projects. "Thus, the financing for energy investments continues to be a challenge for regulators if there is no change," Lam said.

Sufficient structures

Pham Xuan Hoe, former deputy director of the Banking Strategy Institute under the State Bank of Vietnam (SBV) said, “It will be very difficult for Vietnam to mobilise capital as outlined in the PDP8.” Firstly, divesting capital for coal power of all 146 international financial institutions is very difficult, although Japan’s Mitsubishi Corporation has decided to withdraw from the Vinh Tan 3 thermal power plant project in the south-central province of Binh Thuan, where it holds 49% of the shares.

Secondly, if capital is borrowed from China, it is accompanied by loan conditions as well as bonds for government guarantees at high prices. The most obvious experience is that Laos had to cede a partial concession of the national power transmission system to China.

Third is the weak international commitments of the Vietnamese banking system to global standards of governance and environmental and social responsibility. Therefore, local banks certainly cannot lend more to the coal sector in the context of increasing international pressure on banks. Thus, capital for large-scale coal-fired power projects such as Nhon Trach 2 in the central province of Quang Binh, which amounts to VND48 trillion ($2.81 billion), will be complex.

Next, the medium- and long-term capital supply of the Vietnamese banking system remains very low, at just over 20% with high interest rates and minimum loans above 10% per year. Furthermore, Vietnam’s green bond market is almost empty. In order to develop a renewable energy market, such as wind or solar power, a green bond market must be developed. This concept was discussed by the government, but so far green public investment and expenditures are still “very fuzzy” in the fiscal balance of the Ministry of Finance (MoF), argued Hoe. Finally, Vietnam has no national agency to access international sources of green growth, especially for renewable energy.

Resolution 55 not concretised

The new plan is being promoted for early submission to the government. Hoe said that the plan “has been calculated very carefully”. If capital is mobilised from state corporations, it will amount to only about $3 billion per year, because all these groups have debt ratios of over 2%. Currently, the debt ratio of Electricity of Vietnam (EVN) has reached 2.25%. Another $4 billion will be mobilised from the population and $4 billion from the domestic businesses. If there are good policies, Vietnam can also mobilise $6-7 billion per year from foreign direct investment.

Two important directions of Resolution 55 that cover green public expenditures and the green fiscal year have not been specified in Chapter 14 of the PDP8. “Winning green public investment for renewable energies, especially in transmission, should be clearly stated in Chapter 14 of the PDP8,” added Hoe.

Vietnam’s green finance policy, he said, is so far “at an incentive level”. In the 5-year plan, “the MoF has never balanced a single source of capital for green public investment.”

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RETAIL

FMCG market forecast to grow by 6.4% in urban areas in 2021

The fast moving consumer goods sector is forecast to grow at 6.4% this year in the country's four major cities and 8.7% in rural areas, according to global data and consulting company Kantar Worldpanel.

Growth in packaged foods is expected to fall from last year in Hanoi, HCM City, Da Nang, and Can Tho though the rate will still be around 10%, while personal care products are set to grow in double digits.

In rural areas, personal care products potentially will continue to drive growth, while the beverages segment will recover.

Last year FMCG sales grew at 10.3% and 10.2% in cities and rural areas, mainly driven by higher volumes as prices remained steady.

Nelson Woo, regional commercial director, Worldpanel Division Asia, Kantar, said with its population of more than 90 million Vietnam remains a prime market for both local and regional FMCG players.

"A relatively young consumer base, growing per capita income and increasing sophistication of use in both mobile and tech puts Vietnam high on the attractiveness index for investors, brands and manufacturers.

"Vietnam also has a great geographic advantage bordering many Asian countries such as China and the emerging markets of Indo-China, giving it a massive advantage as not only a country with local consumption but also a hub to reach other markets."

The country is now the sixth most populous in Asia behind China, India, Indonesia, Japan, and the Philippines and could easily rise to fifth, he said.

Coupled with improvements in the standard of living and growth in both organised trade and e-commerce, it is a market no brand or manufacturer would want to miss, he added.

In 2020 Vietnam's economy grew at 2.9% despite the COVID-19 pandemic, a testament to its resilience and strength to cope with challenges, which gives it a big competitive edge over other ASEAN countries.

Quality Assurance

Quality has been an increasingly important concern among Vietnamese consumers, especially with regard to foods. With the middle class expanding rapidly, the willingness to pay for higher quality products is also growing.

Consumers have higher expectations when it comes to production methods and quality, but also packaging and other features of food products.

Reliable information about origins and production processes is becoming increasingly important. Now, before making purchase decisions, they are spending more time searching for in-depth information about products from various sources, either people they know or social groups.

In the next few years consumers might be looking out for clearer visibility of when, where and how products were sourced, produced and delivered to them.

Brands should understand that to meet customers' expectation.

Technology allows manufacturers to offer consumers complete transparency about all steps in the production process.

Saigon Co.op eyes 8-10% revenue growth in 2021

The Saigon Union of Trading Co-operatives eyes sales growth of 8-10% this year.

Saigon Co.op, as it is commonly known, also targets 4-5% growth in pre-tax profit and 5-6% increase in labour productivity.

Speaking at a review meeting in HCM City on Monday, Nguyễn Anh Đức, its general director, said this year the co-operative would also focus on improving the efficiency of its retail models and improve customer services.

It also seeks to expand its network to have at least 2,000 outlets nation-wide by 2025, lead the market in terms of goods quality, food hygiene and safety and promoting private labels to support small and medium-sized enterprises and create a new and modern distribution centre to help complete its supply chain.

Despite facing difficulties due to the Covid-19 pandemic last year, Saigon Co.op achieved sales of over VND33 trillion (US$1.42 billion), equivalent to nearly 90% of its target and slightly down from 2019.

In HCM City, its Co.opmart supermarket chain accounted for over 45% of supermarkets' revenues.

Saigon Co.op's pre-tax profit was over VND1 trillion ($43.28 million), which meant it achieved its target.

Phan Thị Thắng, deputy chairwoman of the city People's Committee, hailed the co-operative's achievements, saying it had contributed greatly to the city's economic development and fight against the pandemic.

She called on it to restructure its co-operative model, speed up international integration and focus more on optimising its business. — VNS

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LOGISTICS

Vietnam among world's 10 largest aviation markets

Its effective pandemic response has seen Vietnam become the 10th largest aviation market with a week-on-week growth of 12 percent in domestic seat capacity.

Vietnam registered an additional 117,000 seats between March 8-15, raising its total scheduled capacity to 1.07 million seats, according to data released Tuesday by British aviation analysis company OAG.

Despite this impressive growth, the figure was still down 31.4 percent against the pre-pandemic level in January 2020, the company said.

China is still the world's largest aviation market, with over 16 million seats, followed by the U.S. and India. Indonesia and Japan rounded out the top five.

"The recent steady if not earth-shattering increases in global capacity are very welcome and reflect as much optimism rather than confidence in the recovery process through the next few months," OAG said.

"There remain far too many variables for anyone to be really confident about the shape of a recovery, but vaccine passports and other initiatives are all helping to build some momentum."

Experts have suggested that Vietnam test "vaccine passports" on certain groups of entrants before adopting an official policy for the holders.

Vietnam has recorded 904 cases in its latest Covid-19 outbreak since Jan. 28, but most of the 13 affected localities have gone through many days without any domestic transmission of the novel coronavirus.

With the pandemic more or less contained, air travel demand has returned to normal, with many cities and provinces, including Hai Phong, Hanoi, Ho Chi Minh City, and Quang Ninh, allowing tourism services to resume.

Dong Nai setting up plans to develop into regional logistics centre

Dong Nai People's Committee will invest in developing a port system to synchronise the transport infrastructure system, including expressways, roadways, and Long Thanh International Airport to become a logistics centre of the region.

According to the evaluation of the Department of Transport, the province's seaport system is a collection of disconnected small-scale ports (only two of the 17 seaports have a scale of over 30 hectares while there are many ports which are only a few hectares) supported by weak connecting transport infrastructure.

The province currently has 17 operational seaports. According to the plan, the province will have 46 seaports, including 20 regular port and 26 special ports.

However, Dong Nai has been facing difficulties in mobilising capital to develop the seaport system.

According to the adjusted planning, there will be an additional five port clusters, one on the Dong Nai River, Viet Thuan Thanh, Vinh Hung, Phuoc Khanh – wharf 1, and Phuoc Khanh – wharf 3. In addition, four special seaport clusters will added, including three for gas and petrol and one for the wood sector.

Le Quang Binh, director of Dong Nai Department of Transport, the road traffic system to connect with seaports have numerous inadequacies. Dong Nai has a river system which can handle ships of a capacity of 30,000 tonnes, however, the road system has not been developed synchronously, making these seaports less attractive.

The province has great potential for seaport development. For example, Bien Hoa city and Long Thanh, Nhon Trach districts have river systems convenient for port development. All three localities are attracting the most dynamic industries in the province, which require ports for cargo shipment. However, development is quite slow as investment is still sporadic.

Some projects have been approved by the provincial People's Committee since 2002 and after 15 years, they have yet to be implemented. For example, COMECO petroleum port of Petroleum Materials JSC which covers an area of 20 hectares in Phu Dong and Phuoc Khanh communes (Nhon Trach district).

VN's largest deep seaport Gemalink to reach 80% capacity this year

Gemalink Port, Vietnam's largest deep seaport, will put into use at least 80% of its designed capacity this year and reach its full capacity of 1.5 million TEU by 2022.

The representative of Gemalink made a brief presentation about the development of the port to Prime Minister Nguyen Xuan Phuc

These plans were shared during Prime Minister Nguyen Xuan Phuc's inspection trip to Gemalink Port in the southern province of Ba Ria-Vung Tau last Saturday.

According to the representative of Gemalink, under Gemadept JSC (HSX: GMD), the port welcomed its first commercial vessel in January and is slated to be operational in May in 2021. It will begin to exploit 80% of the designed capacity and kick off the second phase this year.

Beginning construction in February 2019, Gemalink is the biggest seaport in the Cai Mep-Thi Vai complex and one of the world’s 19 largest deep sea ports with the capability to receive the world's largest ships (up to 200,000 DWT) today. Gemalink has a total investment capital of $520 million with the first phase of $330 million and the second phase of $190 million.

The port's handling capacity in the first phase is 1.5 million TEU per year, which will increase to 2.4 million TEU for the whole project. In the first phase, the port has 800m of main berth, allowing the simultaneous reception of two mother ships, as well as 230m of feeder/barge berth, on an area of 33 hectares. Gemalink Port is equipped with the most modern technology available today, with six STS cranes and 18 RTG cranes.

Gemalink is developed by the hands and minds of Vietnamese. Phu Xuan Consultation and Construction is building the port under the supervision of the world's leading consultancy firms Royal Haskoning and Portcoast Consultant Corporation. Meanwhile, other large joint venture port development projects are designed and constructed by foreign companies.

The project is jointly invested by two major corporations in the maritime and port operation sector, Gemadept JSC (75%) and CMA-CGM Group (25%). As Gemadept holds the controlling stake of the port, this will contribute to the long-term national security and sustainable interests for Vietnam.

In a presetation to the PM, Gemalink's leaders expressed hope that the government and relevant ministries will create the necessary conditions for the second phase of Gemalink to expand the length of its pier and raise the capacity to accommodate the world’s largest vessels up to 250,000 DWT in the near future.

Gemalink's leaders also proposed the government and relevant ministries to complete trafffic infrastructure to connect the port with Cai Mep-Thi Vai seaport complex, expressways, and Phuoc An Bridge. Hopefully, a railway route will be completed soon to connect the port with the national railway system linking Laos, Cambodia, and Thailand.

PM Phuc also paid a visit to Cai Mep International Terminal (CMIT) and Tan Cang-Cai Mep International Terminal (TCIT). He was pleased about the progress of the Cai Mep-Thi Vai seaport complex, especially the fast growth of Gemalink, CMIT, and TCIT during the impact of the COVID-19 pandemic on the economy. The three ports recorded an annual growth rate of 22%.

The government leader has asked relevant ministries, agencies, and the southern province of Ba Ria-Vung Tau to develop the seaport and logistics system at the Cai Mep-Thi Vai port complex to meet regional standards by 2030 towards becoming a world-class seaport hub in the world by 2045.

To faciliate the goal, the prime minister told relevant ministries and agencies to improve infrastructure at the Cai Mep-Thi Vai complex, begin the construction of the Bien Hoa-Vung Tau expressway and Phuoc An Bridge to facilitate the transportation of goods for import and export.

In addition, the PM also directed enhancing logistics infrastructure, including establishing a goods distribution centre linking Long Thanh International Airport and the Cai Mep-Thi Vai complex. He assigned the Ministry of Finance to set up a centre to facilitate customs clearance at the Cai Mep-Thi Vai complex and attract more vessels and financial brokers to the port.

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INVESTMENT

Big hoteliers still flock to Vietnam despite Covid-19

Five-star hotel brands are ready to receive travelers back to the country with the strong belief that the tourism industry is coming back to life.

IHG, the owner of many strong brands, including Six Senses and InterContinental, has announced a plan to develop more hotel and resort projects in Vietnam in the next two years. It now has 13 hotels in Vietnam with the total capacity of 3,700 rooms.

IHG also plans to introduce three new brands in the next two years, namely Regent in Phu Quoc, voco™ Hotels in Da Nang and Hotel Indigo on Ly Tu Trong street, district 1, in HCM City.

Crowne Plaza is also planning to increase its presence in large cities, gateway cities and tourism destinations, including Phu Quoc, Binh Duong, Can Tho, Bac Ninh and Vinh Phuc. Its Holiday Inn Resort Ho Tram in Ba Ria – Vung Tau is expected to open soon.

According to Savills Hotels, foreign investors are paying attention to scaling up their business in Vietnam, leading to the sharp increase in the number of resort projects.

A lot of new brands have been introduced in the market in the last three years, including Ozo and X2 Vibe, now present at New Hoi An City project; Double Tree By Hilton in Ha Long, Vung Tau and Hanoi; Four Seasons in Quang Nam and Hanoi; Oakwood and Mai House in HCM City; and Glow in Da Nang.

Mandarin Oriental, one of the world's leading luxury hotel groups, has announced cooperation with Union Square Saigon to develop the 5-star Mandarin Oriental Saigon.

Savills Vietnam has noticed the steady increase in number of 4-5-star resorts with international brands year after year. In 2010, there were 33 such resorts only, while the figure rose to 74 in 2019 and it is expected to increase to 160 by 2022.

Mauro Gasparrotti of Savills Hotels Asia Pacific said international hotel brands now have high interest in Vietnam.

Resort projects have caught higher attention than in previous years thanks to higher quality of products, better design, and higher confidence of international management companies, as well as investors' wish to create differentiated products.

High hopes for tourism recovery

JLL's report on Vietnam's tourism market show that the increasingly high number of travelers and growing economy make the Vietnamese hotel and resort market attractive to regional investors.

Serena Lim form IGH, in charge of Southeast Asia and South Korea, commented that there are great opportunities to develop tourism in secondary cities, industrial areas and satellite areas around Hanoi and HCM City, and emerging cities such as Binh Duong, Can Tho and Hai Duong.

Besides, emerging resort destination points such as Quy Nhon, Da Lat, Phan Thiet and Hoa Binh also deserve investments.

Landscape of outbound Vietnamese investment ventures

While COVID-19 ddversities are making some firms more prudent, but there are firms that do not hesitate in finding ways to tap into the global market potential.

A few days ago, Hanoi-based dairy firm VitaDairy officially announced its ownership of a dairy farm in the Australian state of Tasmania.

Nguyen Thi Ha, the company's general director, said that their new dairy farm in Australia breeds about 1,000 dairy cattle and the company is starting to transport milk from there to Vietnam to feed production needs.

Ha added that although they have only made the official announcement about the acquisition now, this $10 million purchase took place in 2020 and the company had finalised procedures with the Ministry of Planning and Investment (MPI).

Unlike before, when local firms breaking into global markets mainly engaged in telecommunications, mining, agro-forestry, and fisheries, now their engagement is more diverse, with the dairy industry proving fairly attractive to local investors. Leading players in this field are Vinamilk, Nutifood, and particularly TH Group.

After landing a mega-project valued at $2.7 billion in Moscow (Russia) in early 2018, in 2019 TH Group bought two farms in Australia valued at more than $88.5 million to not only breed dairy cows and produce milk items, but also plant cotton, sunflowers, and process fruit juice.

In the same year, two other local firms – IMG Investment JSC and ADPG Investment Development JSC – landed a $38 million project in Australia to build housing blocks for sale and for lease.

Australia remained one of the favoured destinations of Vietnamese investors, attracting $101.8 million of capital last year.

Aside from Australia, Cuba and Germany have also been appealing to Vietnamese investors. For instance, last year, local firms landed four projects worth nearly $93 million in total registered capital in Germany.

Despite not having sizeable ventures, 2019-2020 were fairly upbeat in terms of Vietnam's outbound investment.

Notably, in 2020 despite the drastic impacts of COVID-19, local corporate investors poured more than $590 million abroad, signifying a 16.1% jump on-year.

In December 2020 alone, five new outbound investment projects received investment certificates and three existing projects requested permission to expand capital with a total committed value of $99.65 million, more than double compared to 2019.

The latest figures from the MPI, however, show that in the first two months of 2021, five projects received investment certificates for outbound investment with the total capital value amounting to $21.64 million, down 28.6% on-year.

In general, by the end of February 2021, Vietnam had 1,406 valid cumulative outbound investment projects with a total committed value surpassing $21.4 billion.

VinaCapital GS Energy recieves investment certificate for $3 billion LNG plant

VinaCapital GS Energy Pte., Ltd., a joint venture between South Korean GS Energy and VinaCapital on March 21 received the investment certificate to build a $3b LNG-to-power complex in Long An province.

Consisting of Long An I and II, the VinaCapital GS Energy complex will be located on 90 hectares in the Southeast Asia Services Area, a part of Long An International Port of Long An province, and is expected to be started very soon.

With a capacity of 3,000MW, the complex is expected to be put into operation in December 2025, consisting of two turbines with equal capacity.

The Long An LNG-to-power complex was granted an investment certificate on the occasion of Prime Minister Nguyen Xuan Phuc visited Long An on the same day, touring a range of other large-scale projects in this province.

Long An International Port is one of the biggest seaports in Vietnam with a total area of 147ha that includes nine berths that can serve 30,000-70,000 DWT ships.

Dong Tam Group is finishing the legal procedures to expand the scale of the Berths no. 8 and 9 to the designed capacity of 100,000 DWT.

In addition, the investor is also planning to build a special berth serving vessels containing liquid cargo of oil and liquefied gas. All constructions are being promptly constructed on schedule, with expectations of completing them in 2023.

In 2020, Long An International Port has signed a strategic cooperation agreement with ports in the Mekong Delta region, facilitating the development of a multimodal freight transport network. This will be the basis for Long An International Port to become a cargo transshipment centre of the Mekong Delta and the Southeast region to other regions domestically and internationally, contributing to reducing commodity costs and improving the competitiveness of regional enterprises.

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