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# VIETNAM BUSINESS REVIEW

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## FINANCE

### Foreign-invested corporations are planning to list their shares in Vietnam

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Some major foreign-invested corporations are making strides towards Vietnam-based listings as part of their global growth strategies, despite the country's restricted legal access for those entities.



Thai food giant Charoen Pokphand Foods (CP) has greenlit its Vietnam subsidiary's plans to list its shares on the Ho Chi Minh Stock Exchange (HSX) in a fresh document submitted to the Stock Exchange of Thailand.

The decision was made at CP's board meeting last week. In case the approval is granted by relevant authorities, C.P. Vietnam would proceed to file an application for listing on the HSX. CP directly holds 29.18 per cent shares of C.P. Vietnam. The remaining 70.82 per cent stakes are indirectly held by CP through its subsidiary CP Pokphand (CPP), which is currently listed on the Hong Kong Stock Exchange. Thai analyst Suttatip Peerasub told Business Times that she expects C.P. Vietnam's upcoming initial public offering (IPO) could unlock the vast potential of the Vietnamese unit, as well as the CP Group as a whole. C.P. Vietnam gets around 70 per cent of its revenues from processed and fresh pork and chicken products. It built its first processing plant in Vietnam in 1993 and now has nine plants across the nation.

After nearly 30 years in Vietnam, C.P. Vietnam is among the largest foreign-invested enterprises (FIEs) and dominates the domestic livestock market. In 2020, C.P. Vietnam's revenue was nearly \$3.5 billion, while net profit was \$822 million. These impressive figures illustrate the Thai giant's leading position in Vietnam, far exceeding other domestic competitors such as Dabaco. The IPO will give C.P. Vietnam more room to tap into public funds and further grow, according to industry experts.

Another major FIE, Japanese retail giant AEON Group, also unveiled its ambition to file for an IPO in Vietnam last November. AEON has ramped up its presence in Vietnam since 2014 and has spent a total

of \$1.18 billion in the country. Furusawa Yasuyuki, general director of AEON Vietnam, told VIR, “AEON Group considers Vietnam as the biggest key market after Japan to develop business activities and will take advantage of developing here in the future for expansion and growth. This is in line with AEON Group’s medium and long-term approach, with a vision to 2025.” He also further mentioned that being listed on the Vietnamese stock market is one of AEON’s long-term goals since the special emphasis is on empowering the Vietnamese market to prosper. In 2022, this plan has not yet been realised, and it will not be until then. AEON is now in the preparation stage to ensure full compliance with the Vietnamese legal framework. Given the market’s scarcity of listed FIEs, Yasuyuki and his team would need to work closely with the management agency to successfully execute this strategic plan.

“We do not regard this initiative as just a means of raising funds; rather, we seek to establish AEON as a truly Vietnamese firm that serves the Vietnamese market and address daily demands of its citizens,” Yasuyuki said. “At that point, AEON will assume the duties and liabilities that come with being a domestic corporation, which means a great deal to us.” By April 20, an estimated \$424.59 billion in the total capital were registered into 34,891 active foreign-invested projects in Vietnam, as reported by the Foreign Investment Agency under the Ministry of Planning and Investment. According to the State Securities Commission (SSC), there are 11 FIEs converting their structures from limited liability companies to JSCs and listing on domestic bourses, including Electric Wire and Cable JSC, Chang Yih Ceramic JSC, Interfood Shareholding Company, Full Power JSC, and Tung Kuang Industrial JSC, among others.

There are only eight FIEs which have been listed so far, and three have had their listings cancelled owing to their bleak operations. A study issued at the end of last year by the SSC revealed that seven out of 10 FIEs listed and registered for regular transactions had generated profits over the course of 2016-2019, while the rest recorded losses. “FIEs only account for 0.3 per cent of the total publicly-listed entities’ capitalisation – just a tiny fraction of the total market value.” the SSC noted. “Furthermore, there has been no divestiture of FIEs’ founders, owners, and foreign investors yet. Eight out of 10 listed FIEs have seen an influx of foreign ownership after their listing, whereas only two FIEs have witnessed a reduction.”

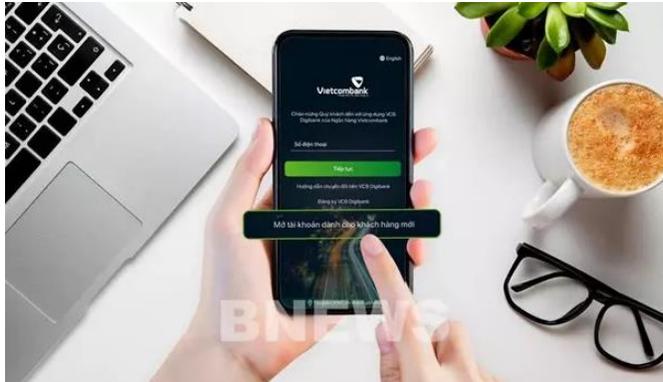
For instance, Royal International Group is still a loss-making company. According to its latest financial report, the company’s pre-tax loss in 2021 reached \$4.48 million, the third year in a row. For 2022, the company predicts losses of around \$1.58 million. Nguyen Thanh Ha, managing partner of SBLAW believed that one of the rigid requirements for companies listed on HSX is to disclose the accurate amount of debts as a step towards enhancing transparency, particularly for FIEs at risk of exploiting legal loopholes in tax policies.

“Becoming public entities could further boost FIEs’ financial reports while minimising transfer-induced risks and tax evasion and attracting foreign indirect investment,” he emphasised. “Competent state institutions should consider promulgating specific regulations linked to the requirements and procedures for FIEs to be publicly traded on the stock market.” VIR

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## Mobile payment value to surge 80 - 100 percent annually

The banking sector hopes that by 2025, the volume of mobile payment transactions will grow by 50 - 80 percent while transaction value will surge 80 - 100 percent annually.



Among the other targets for 2025, Vietnam aims for at least 80 percent of the population aged 15 and above to have bank accounts, the number of internet payments increasing 35 - 40 percent annually, and the rate of individuals and organisations using cashless payments reaching 40 percent, according to Le Van Tuyen, Deputy Director of the State Bank of Vietnam's Payment Department.

He said cashless payment methods, typically contactless card, QR code payment, online payment for digital and e-commerce services, and mobile banking, are becoming increasingly popular in Vietnam, especially among young people.

There is now a strong shift to electronic payment methods replacing cash, which is also a target of the plan for cashless payment development in Vietnam from 2021 - 2025, Tuyen noted.

Nguyen Quang Minh, Deputy General Director of the National Payment Corporation of Vietnam (NAPAS), said the firm always holds reserves equivalent to 50 percent of its capacity to ensure smooth cashless payments. Even during peak periods, the number of transactions account for just over 40 percent of its system's designed capacity.

It has also continually developed new products and services to meet market demands, he went on, noting that it launched a set of domestic chip cards, from debit card, prepaid card to credit card, which are intended to support the central bank's plan to switch from magnetic strips to chip cards.

To help promote cashless payments in public services, NAPAS has also connected payment infrastructure between 45 localities and 15 ministries, departments and agencies that provide public services in order to supply online payment services for five groups of public services on the National Public Service Portal, namely paying social insurance premiums, real estate taxes, traffic violation fines, court fees, and other fees and charges, he added. VNA

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## E-COMMERCE

### Shinhan Financial Group acquires 10 per cent stake in Vietnam's ecommerce platform Tiki

With Tiki as its first strategic partner in Vietnam, Shinhan Financial Group from South Korea is looking to develop its digital capabilities beyond financial services.



Shinhan Financial Group acquires 10 per cent stake in Vietnam's ecommerce platform Tiki

Shinhan Financial Group – South Korea's second-largest banking behemoth – said on May 2 that it has agreed to acquire a 10 per cent interest in Vietnam's e-commerce player Tiki, making it the company's third-largest stakeholder. The deal fee remains unknown, according to Kedglobal.

Shinhan Bank, which is the largest foreign lender in Vietnam in terms of assets, will acquire a 7 per cent share in Tiki. Its affiliate Shinhan Card will be in charge of the remaining 3 per cent.

Shinhan Vietnam recently announced its summary audited financial statement for 2021, which showed a pre-tax profit of around \$137 million, an increase of 3 per cent over the previous year.

Tiki, a popular e-commerce platform in Vietnam, has amassed more than 20 million consumers and provides rapid delivery services for anything from groceries to insurance goods. Last year, life insurer AIA Vietnam became Tiki's exclusive insurance partner.

In a statement, Shinhan said, "By forming a strategic alliance with Tiki, Shinhan will diversify its customer base, upgrade credit evaluation systems based on non-financial information, and cope better with the digital environment. Based on Shinhan's financial expertise and Tiki's database in a broad range of areas, we are expecting to build a new converged digital ecosystem in Vietnam."

Previously, Shinhan Bank was rumoured to be the next financial backer of Tiki with a predicted fund of around \$40 million, as cited by Dealstreetasia. Shinhan Bank, along with its commercial banking activities, is keen on supporting Vietnam's burgeoning startup ecosystem. VIR

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## ENERGY

### National Power Development Plan VIII paves way for renewable energy

The National Power Development Plan for the 2021 - 2030 period, with a vision towards 2045 (PDP VIII) has taken into account the replacement of coal-fired power projects and those that are still pending, heard a meeting of the State Appraisal Council.



Speaking at the meeting, held in Hanoi on April 26 under the chair of Deputy Prime Minister Le Van Thanh, Minister of Industry and Trade Nguyen Hong Dien said the plan also targets a balance in electricity generation between regions and encourages the development of other fuels like hydrogen and ammonia.

Dr. Ngo Tuan Kiet, Director of the Vietnam Academy of Science and Technology, said data on wind power, both offshore and onshore, have been updated in the plan. However, the updated figures from international organisations are not enough and it still requires exclusive studies and assessments.

With the inclusion of Prime Minister Pham Minh Chinh's commitments at the 26th United Nations Climate Change Conference of the Parties (COP26), the plan has opened up opportunities for the development of wind power, especially offshore wind power, according to Associate Prof. Dr. Pham Hoang Luong.

He stressed the need for Vietnam to soon set out a national marine space planning scheme by 2045 which stipulates the sustainable management and use of the marine space to serve economic activities.

Closing the meeting, Deputy PM Thanh expressed his approval for assessments of the State Appraisal Council that PDP VIII has been prepared thoroughly and scientifically.

The plan has also been sketched out in line with Resolution No. 55 of the Politburo on the national energy development strategy by 2030 with a vision towards 2045, he said.

Under the plan, the national power capacity from now until 2030 would be 146,000 megawatts (MW), 35,000 MW less than the amount in the previous version, he said, noting that it aims to cut coal-fired power and increase renewable energy.

The Deputy PM assigned the Ministry of Industry and Trade (MoIT) and other ministries and agencies to collect opinions of the council and finalise the draft plan, which should be submitted to the PM for approval in May.

Mechanisms and policies, except for legal regulations, should not be integrated in the draft plan, he said, asking the MoIT to develop an implementation scheme under a set roadmap. VNA

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## **PVN and AES from the US cooperate to develop offshore wind power projects**

At a meeting with Mr. Hoang Quoc Vuong - Chairman of the Member Council of the Vietnam Oil and Gas Group (PVN), on April 27, in Hanoi, Mr. Bernerd Da Santos – US AES Standing Vice Chairman and CEO informed that the AES group would like to share experiences and cooperate with PVN in developing the renewable energy projects, especially the offshore wind power projects.



Mr. Bernerd Da Santos emphasized that AES always commits to maintaining the economic and social growth of Vietnam by investing in reliable and sustainable energy solutions (including potential opportunities on renewable energy, as well as developing the Son My 2 gas turbine power project and the Son My LNG terminal project).

Mr. Bernerd Da Santos affirmed that the signing of a joint venture agreement to develop the Son My LNG Terminal project between AES and PV GAS by the end of 2021 was an important milestone for developing LNG energy sources of Vietnam and also plays an important role in reducing emissions in Vietnam in line with commitments at COP26.

In the coming time, AES would like to continue receiving the support and favorable conditions of PVN for AES to deploy activities in Vietnam and be ready to share experiences and cooperate with PVN in developing renewable energy projects, especially offshore wind power projects.

On behalf of PVN's leaders, Mr. Hoang Quoc Vuong affirmed that the Son My LNG terminal is an important project for Vietnam, and deploying the project would contribute to synchronizing the use of LNG sources for power projects in the region.

According to Mr. Hoang Quoc Vuong, developing renewable energy is one of the major orientations of the Vietnamese Government in implementing the commitment to net zero emissions by 2050. Mr. Vuong also informed that in the draft Power Development Planning VIII (PDP VIII), Vietnam will develop 7 GW of offshore wind projects by 2030.

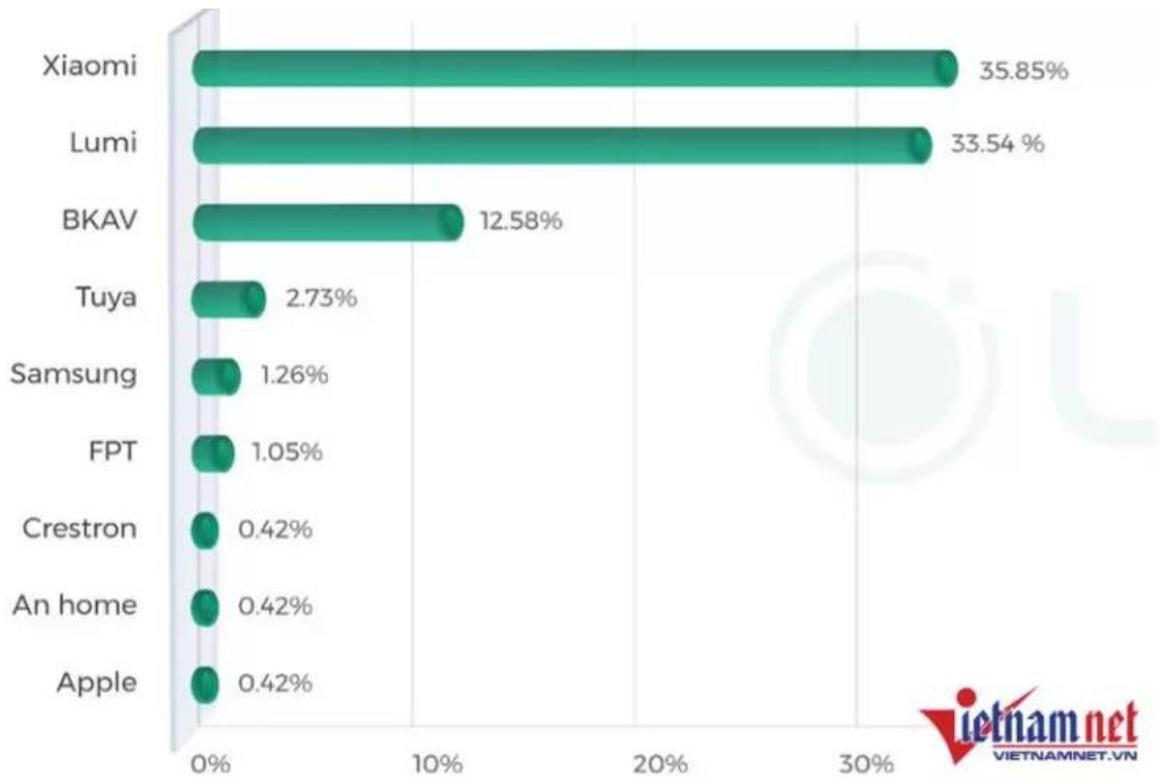
With its many year's experience in offshore activities and its available potential and advantage, PVN believes that it will be entrusted by the Government to develop offshore wind power projects in the coming time. VietnamEnergy

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## RETAIL

### Smarthome users are mostly middle-class consumers

The Vietnam Smarthome Report 2022 is the first report with in-depth, detailed and comprehensive information about the smart home market in Vietnam.



If Vietnamese users have two options for smarthome products at the same price, 65 percent would choose products with Vietnamese brands rather than foreign ones, according to the Vietnam Smarthome Report 2022, a report released by Lumi, a company specializing in manufacturing smarthome devices.

The Vietnam Smarthome Report 2022 is the first report with in-depth, detailed and comprehensive information about the smart home market in Vietnam.

The survey conducted on 10,000 people found that 80.5 percent of respondents had heard about smarthomes and 10.9 percent said they had used smarthome equipment. There was no big difference in gender in the percentage of people who had heard of or had used a smarthome.

For people who have not used a smarthome, their assumptions about a smarthome include remote control, modernity, smartphone control, voice control and entry/exit control by a smart camera.

When mentioning smarthomes, the first products Vietnamese people think of are smart locks, smart contacts, smart cameras and smart entrance doors.

Regarding the level of smarthome experience, more than 80 percent of respondents who have not yet used a smarthome said they wanted to experience a smarthome in the future.

The survey found that the three smartphone brands mostly used in Vietnam were Xiaomi, Lumi and Bkav. The smartphone brand known by most users is from China, while the second and third most known brands are Vietnamese.

Nguyen Tuan Anh, Chair of Lumi, said the smartphone industry in Vietnam is in a hot development period with the competition among domestic manufacturers but also many foreign brands from Europe, the US and China.

The number of middle-class people (those who have monthly income of at least \$714, or VND16 million) in Vietnam is increasing rapidly among countries in Southeast Asia.

According to Statista, the compound annual growth rate (CAGR) of revenue of the Vietnamese smarthome market is estimated at 17.28 percent in 2022-2026. The Vietnamese household penetration rate of smarthome devices is 11.9 percent and the figure is expected to increase to 19.9 percent in the next five years.

More than 64 percent of Vietnamese users would choose Vietnamese products if they had two options – Vietnam-made and foreign-made products which have the same price levels. More than 35 percent would choose foreign-made products.

Asked about their thoughts about the popularity of smarthome solutions in Vietnam in the near future, 76.4 percent of respondents said the devices would be popular in the next five years. Vietnamese are willing to spend VND20-40 million on smarthome devices. Vietnamnet

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## LOGISTICS

### Vietnam targets to boost logistics industry

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Vietnam's geography gives it a logistical advantage in boosting production, export and logistics services. This year, the Government has set targets of tapping its full potential.

The comment was made by Deputy Minister of Trade and Industry Nguyen Sinh Nhat Tan at a seminar on "Enhancing competitiveness for logistics businesses", held in Hà Nội on Thursday.

Delivering a speech at the seminar, Deputy Minister Tân said the Government has identified logistics as an important service industry in the economy. The industry is playing a role in supporting, connecting and boosting socio-economic development, contributing to improving the competitiveness of the economy.

At the seminar, Truong Tan Loc, Marketing Director of Saigon Newport Corporation, said that in April this year the World Bank forecasted the country's GDP growth to be around 5.3 per cent in 2022 and then stabilise around 6.5 per cent next year.

Mr. Loc said the signed free trade agreements (FTAs) needed to be more proactively implemented for strong growth in domestic industries, especially in electronics, machinery and equipment, furniture, plastic, textiles and seafood. This was an opportunity to develop port and logistics services to serve the needs of connecting goods with major markets in the world.

Sharing the view of Loc, Pham Thi Lan Huong, general director of Vinafco JSC, said Vietnam's logistics industry has a lot of potential but it is fragmented. She noted the number of small and medium-sized businesses accounted for a majority with 90 per cent of them having capital of less than VNĐ10 billion (US\$434,000)

Currently, the number of businesses providing 3PL (third-party logistics) and 4PL services (fourth-party logistics) remains modest. They account for only 16 per cent of the entire logistics industry. Hương said it needed to develop more 3PL and 4PL businesses to push the domestic logistics industry.

Another participant suggested that it was necessary to promote technology application in the domestic logistics industry to improve efficiency and optimise productivity, to save costs for logistics businesses. In addition, a close connection between logistics businesses was also a need to improve operational efficiency involving production, logistics and transport.

At the seminar, representatives of the authorities also pointed out the shortcomings in import and export activities in 2021, and logistics activities in Vietnam.

The Import and Export Report 2021 points out significant problems such as the continued high level of trade deficit or surplus for some markets, which is likely to affect sustainable import and export activities.

The export growth of some commodities is mainly based on the increase in quantity and price due to the scarce supply in the market. Exported goods still face congestion at border gates and seaports, especially from the end of 2021.

In logistics services, although there has been a strong development recorded, the logistics industry still has many limitations. One of them is that logistics enterprises have not yet developed up to the potential of the industry.

According to data from the Vietnam Logistics Business Association, currently, 90 per cent of logistics enterprises operating are Vietnamese enterprises. However, they only account for about 30 per cent of the market share. The rest belongs to foreign enterprises.

There are many enterprises, but mostly small ones, with limited scale in the capital, human resources and experience.

In the framework of the seminar, the Vietnam Import and Export Report 2021 compiled by the Ministry of Trade and Industry was also announced, highlighting the positive points in international trade activities. Despite many difficulties due to the COVID-19 pandemic, the country's import and export still reached a record number with a total turnover of \$668.55 billion. While, exports reached more than \$336.3 billion, up 19 per cent compared to 2020; imports reached \$332.2 billion, up 26.5 per cent; trade surplus of more than US\$4 billion.

With this result, Vietnam has entered the top 20 economies in terms of international trade. The export structure has changed positively, and the area of export products is diversified.

The group of processed products continues to be the driving force for the overall growth of exports. Vietnam has also made efforts to diversify export and import markets to meet the needs of domestic production and consumption.

Deputy Minister of Industry and Trade Tân passed comments on the results achieved in import and export activities in 202 and international trade activities of Vietnam.

Total import and export turnover of goods from 2010 up to now has increased 4.25 times up from \$157.1 billion in 2010 to \$668.5 billion in 2021. He said that the positive result was thanks to the contribution of the logistics service.

"During the COVID-19 pandemic, despite many difficulties, Vietnamese logistics enterprises have adapted and maintained their supply chains. They have supported other enterprises in finding solutions to optimise logistics activities, saving costs and time.

They propose the State's strategic issues, contributing to maintaining and stabilising the supply chain and improving the competitiveness of Vietnamese goods and businesses. Businesses also make efforts to modernise technology to improve service quality and diversify services to overcome difficulties," said the Deputy Minister. VNS

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## Ninja Van has introduced Pick-up Drop-off franchising into Vietnam

Ninja Van has introduced PUDO (Pick-up Drop-off) franchising into Vietnam, providing local small-cap entrepreneurs a profitable opportunity.



Ninja Van's Agency Sales Network, the official name for Ninja Van Retail's revolutionary PUDO business, is now expanding, with over 200 agents entering the network.

To keep up with the changing pace of the e-commerce market, Ninja Van Vietnam, a fast-growing and leading e-logistics company in the market, is steadily becoming a favorite courier brand. Thanks to its well-built ecosystem, Ninja Van's agency sales network with PUDO points is expanding its presence across the country,

promoting quick and precise delivery to end-users and boosting the revenue of business partners.

The company has been offering new businesses its agency sales network - PUDO point franchising - to reduce risks in the logistics market. Ninja Van's agency sales network is an initiative to assist inexperienced partners in launching their first firm, maximizing their profits in the e-logistics market with minimum investment. With more than 200 PUDO points deployed by agents since 2020, the network has grown faster than expected thanks to its appealing policy and high return on investment rate. Partners with a small amount of capital for a new business can open a well-prepared branded agent for as little as VND25 million.

Ninja Van Retail provides new partners with important assistance in deploying their first business in e-logistics with standardized operation, relevant to PUDO management and profitable services. One of the most significant features of Ninja Van's agency sales network is that the PUDO partners will be one of the important links in Ninja Van Retail's complex technical network and excellent customer services nationwide.

Ninja Van Retail's team will take all the responsibility for store renovation and support partners from all provinces despite geographical barriers to innovate logistics improvements.

The team will provide operation training to agency sales network partners, and the PUDO agent will be looked after by Ninja Van's personnel directly to ensure quality services across the network are synchronized. On the other hand, the team assists PUDO agents in evaluating operation quality on a quarterly basis in order to maximize business effectiveness. Ninja Van's agency retail network promotes manual threading, reducing agent labor while providing a stable income for partners.

The investment in Ninja Van franchising is refundable. Ninja Retail's partners can decrease their financial risk because the franchiser will not impose fines or business pressure on its agents.

Compared to the previous period in 2021, the scale of e-commerce in Vietnam has increased by 53 percent despite Covid-19, and nearly 60 percent of Vietnamese consumers continue to shop online since social distancing.

According to VECOM, e-commerce business in Vietnam might be worth \$52 billion in 2025. The results confirm the potential of e-commerce in the near future, and PUDO points are expected to be its spine to continue the momentum by 2025. Vnexpress

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## INVESTMENT

### Planning for Van Phong Economic Zone to be revised

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Plans for the development of Van Phong Economic Zone (EZ) will be revised, according to a decision recently signed by Deputy Prime Minister Le Van Thanh.



Established in 2006 in the districts of Van Ninh and Ninh Hoa in the south-central coastal province of Khanh Hoa, Van Phong EZ covers 1,500sq.km, some 800sq.km of which are at sea.

The zone includes an international container port, an oil refinery and a point of transit for petroleum and petroleum products. It also caters for tourism, services, industry, aquaculture and other economic sectors. Van Phong serves as an economic centre of Khanh Hoa, an investment magnet and a driving force for economic development in neighbouring areas.

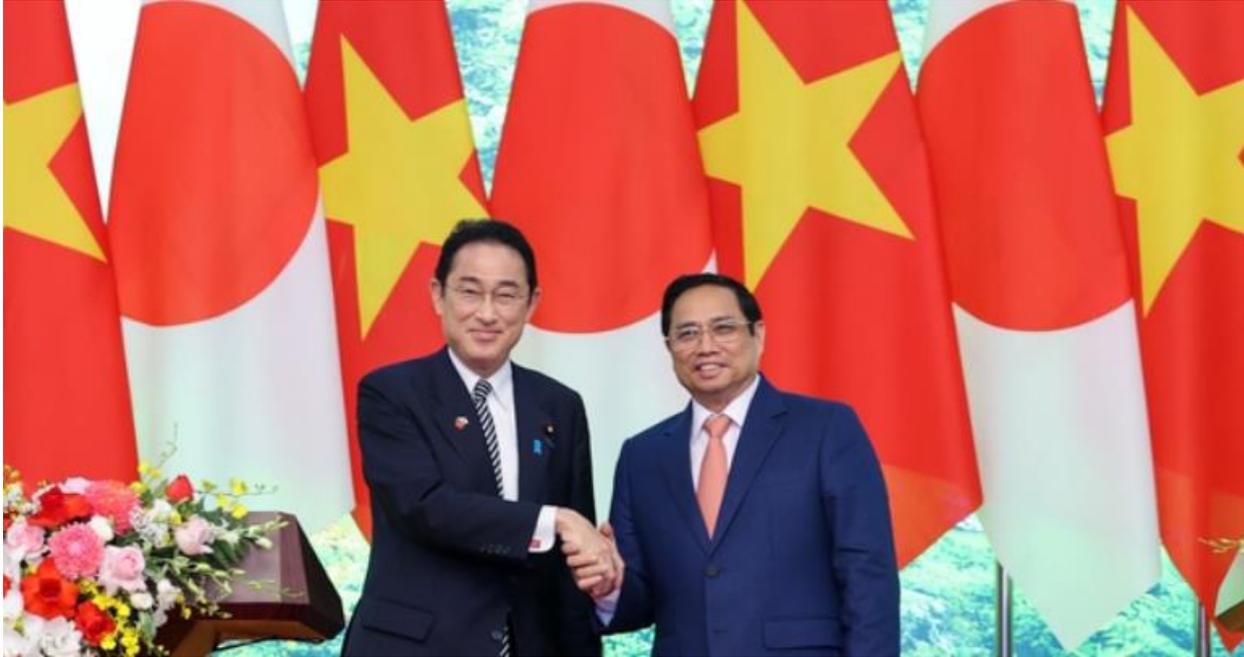
The revision of the plan aims to transform Van Phong EZ into a hub of the south-central coastal region and the Central Highlands in the marine economy, hi-tech industries, innovation, vocational training and quality healthcare services, as well as a centre for international marine tourism and services for the development of new industries and smart cities. By 2050, the EZ is expected to become a dynamic, competitive, smart and sustainable economic hub that not only facilitates socio-economic growth but also helps ensure national defence and security, the decision said. The government also wants to create higher living standards. The amended plan must provide an assessment of the conditions at Van Phong EZ and its potential to propose an appropriate growth model. VNA

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## Vietnam and Japan to strengthen the strategic cooperation

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The two countries are looking to take their strategic partnership to a new height in the spirit of sincerity, affection, trust, substantiality, and efficiency. Vietnam and Japan have reached an agreement on steps to further the strategic partnership in the coming period, including strategic infrastructure development.



The information was revealed during a press conference held after the meeting between Prime Minister Pham Minh Chinh and his Japanese counterpart Kishida Fumio, who is on a visit to Vietnam from April 30 – to May 1. Prime Minister Chinh welcomed Fumio’s visit to Vietnam, which reflects the high priority Japan has given to Vietnam as well as the affection of the Japanese Prime Minister to the country.

Chinh noted that both sides highlighted the strong progress in implementing high-level agreements reached between the two prime ministers last November in Tokyo while stressing commitment to further bolster the “extensive strategic partnership for peace and prosperity in Asia” in a new phase in the spirit of “sincere, affection, trust, substantiality and efficiency”. Under this context, the two prime ministers would continue measures to ensure an independent and self-sufficient Vietnam with an active mindset on global integration; promote industrialization and comprehensive partnership in the fields of trade, investment, science, technology, training-education, politics, and defense-security.

Vietnam and Japan have agreed on efforts to accelerate the development of strategic infrastructure in Vietnam, including the progress of strategic transport projects of the North-South Expressway, urban railway, or North-South railway. The two leaders witness the signing of an agreement between Vietnam's Sovico and Japan's Marubeni Corporation, TJERA Co., in urban infrastructure development.

Vietnam and Japan would strengthen cooperation in economic recovery during the post-pandemic period, along with enhancing the linkage between the two economies in supply chains, investment, trade, supporting industries, digitalization, innovation, smart city, and hi-tech farming or energy

transition. Both countries are expected to give priority to new initiatives for mutual benefits, such as “partners in technological innovation”, “supply chain enhancement”, and “digitalization.” Vietnam is expected to export longan to Japan for the first time in September 2022. Japan’s Prime Minister Kishida Fumio said the country would continue to support Vietnam in socio-economic development. In response, Chinh said the Vietnamese Government is determined to effectively manage Japan’s ODA funds, while striving to create a more favorable business environment for investors, including those from Japan.

On this occasion, the two prime ministers witnessed the signing of 21 cooperation agreements in various fields including climate change response, digitalization, supply chain diversification, and infrastructure development, which showcase the comprehensive partnership between the two countries. A signing agreement for cooperation between the Japanese Embassy in Vietnam and the Ministry of Information and Communication in digitalization. The two leaders also discussed regional and global issues of mutual interest, including the East Sea, Ukraine-Russia conflicts, and non-traditional security risks. Vietnam and Japan would enhance cooperation to ensure peace, and stability in the region, stressing the significance of maintaining peace, security, and freedom of navigation on the East Sea.

Any dispute in these waters should be settled via peaceful means based on the UN Convention of the Law of the Sea (UNCLOS) 1982, along with the full effective implementation of the Declaration on the Conduct of Parties in the East Sea (DOC) and the soon finalization of the Code of Conduct in the East Sea (COC). Regarding the situation in Ukraine, both countries reaffirmed the necessity to comply with international law and the UN charter, especially the principles of respecting the independence and sovereignty of a country and its lawful rights; refraining from using force in international relations; calling for all concerning parties to turn to dialogue for long-term solutions.

Vietnam is willing to support humanitarian aid and diplomatic efforts in this regard, including the initial contribution of US\$500,000 for Ukraine via international humanitarian groups. Vietnam and Japan have agreed to jointly host events to celebrate the 50th anniversary of diplomatic relations in 2023, and promote locality-to-locality cooperation, cultural/people-to-people exchanges, or tourism. These efforts, in turn, are expected to open a new chapter in Vietnam-Japan relations.

Japan’s Prime Minister Kishida Fumio thanked the Vietnamese Government for its warm welcome and expressed his satisfaction at visiting Vietnam less than a year after his Vietnamese counterpart visited Japan last November. Kishida said as a member of the Japan-Vietnam Friendship Parliamentary Alliance for many years, he is bonded with the Southeast Asian country.

He expected the two countries to continue diversifying supply chains, promoting digitalization and technological cooperation under Japan’s initiatives for the future of Asia. Kishida stressed his commitment to open a new chapter for Vietnam-Japan relations, especially at a time when the two countries are celebrating the 50th anniversary of diplomatic relations. Hanoitimes

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