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FINANCE

The State Bank of Vietnam sells greenback to stabilise forex market

The State Bank of Vietnam (SBV) has so far this year sold about US$12-13 billion to stabilise the domestic forex market, according to Viet Dragon Securities Corporation (VDSC).

The value was equal to some 11% of Vietnam's foreign exchange reserves. The country's foreign exchange reserves are currently at more than US$100 billion, equal to 3.1 months of imports, and are forecast to keep rising. The value, which is four times higher than in 2015, is expected to be an important buffer to stabilise the domestic forex market and help the country's economy withstand external shocks.

According to VDSC, the SBV's move was aimed to restrict the devaluation of the Vietnamese dong, reduce pressure on the foreign exchange rate and balance the supply and demand of the greenback in the domestic forex market.

In the context that most currencies have fallen significantly against the US dollar after the Federal Reserve raised interest rates, the dong has only weakened against the US dollar by around 2% so far this year, which shows the dong is relatively stable and listed among currencies with the lowest devaluation in the Asia-Pacific region. According to VDSC, despite several net withdrawals of the dong through the sale of the dollar and T-bills, domestic demand for the greenback remains strong. It has shown no signs of cooling down as the interest rate of dollar loans in the interbank market continues to increase and the rate gap between dollar and dong loans in the interbank market also keeps rising.

In the short term, VDSC expects the SBV will continue to use the foreign exchange reserves and the T-bill sales to withdraw the dong in the open market operation (OMO) to reduce the dong liquidity in the banking system so as to curb pressure on the exchange rate.

VDSC forecast the domestic exchange rate might be under higher pressure at year-end. However, it still expects the dong to depreciate only about 2.0-2.5% in 2022, remaining unchanged against its previous forecast.

Pham Chi Quang, deputy head of the SBV's currency policy department, last month affirmed that with foreign exchange reserves of more than US$100 billion, the central bank will continue to sell its foreign currency to stabilise the market. The SBV will continue to manage the currency exchange rate with flexibility to absorb external shocks, help stabilise the macro economy and control inflation, according to Quang. VNS/VNA

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Synchronous measures needed to ensure Vietnam’s macroeconomic stability

The Vietnamese economy is facing huge inflationary pressure, requiring appropriate management measures, especially in stepping up the coordination of monetary and fiscal policies and price regulation to stabilise the macroeconomy.During the first half of 2022, the consumer price index (CPI) witnessed rises every month, with the largest gain seen in February due to the Lunar New Year holiday, while the smallest rise was in April at 0.18% over the previous month.

Data released by the General Statistic Office showed that core inflation in the first six months of the year rose 1.25% over the same period last year, compared to the average CPI rise of 2.44%, demonstrating that consumer prices were primarily driven by food and fuel prices.

According to Associate Professor Ngo Tri Long, as the Vietnamese economy made a strong recovery in the first half of 2022, the rising demand of manufactured goods for consumption and export coupled with higher global commodity prices pushed up the prices of essential goods and services, but overall prices remained in check.

However, rising global prices will put pressure on the production costs of enterprises, causing pressure on inflation in the second half of the year. Furthermore, high fuel prices are causing prices of goods and services to go up, placing pressure on production and business, which will in turn slow down economic recovery. Many are worried that the Vietnamese economy will face difficulties from rising inflationary pressure.

Recently the Government has aggressively asked ministries, agencies and localities to implement synchronous measures to stabilise prices and minimise the negative impacts on socio-economic development. Promptly introduced policies such as cutting value added tax, environmental protection tax and many other fees have helped to stabilise enterprises’ operations and people’s lives.

It is expected that there will be many challenges facing the economy in the latter half of 2022. One of the most worrying problems is the falling purchasing power while rising input costs make enterprises unable to mark down the prices of their goods. What is even more difficult is that enterprises do not dare to sign long-term and high-value contracts because they are unable to calculate the input costs, which are rising day by day. In the meantime, it can be clearly seen that budget revenue in the first half of 2022 mainly came from tax and fees related to land while revenue from manufacturing and business was very small, indicating that the health of enterprises remains weak.

Many countries in the world are battling rampant inflation and as a highly open economy, Vietnam will face a profound impact. Professor Ngo Tri Long stated that inflationary pressure in the final months of the year mainly comes from imported input materials.

In the face of impacts from rising global prices of input materials and a surge in domestic aggregate demand, experts have recommended many solutions to curb inflation in the remaining months of the year. In addition to stepping up the coordination of monetary, fiscal policies and price regulation to stabilise the macroeconomy and accelerate the 2022-2023 economic recovery programme, it is also necessary to formulate scenarios to deal with changes in the financial market.

In addition, the Government needs to promptly remove obstacles in policies and mechanisms, create a fair and open business environment, and diversify sources of supply to avoid reliance on a single market. Once synchronous measures are implemented, it is likely that full-year inflation will be kept at under 4%.
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E-COMMERCE

Home Credit partners with Tiki to launch Home PayLater

Home Credit announced on July 15 that the company has signed a cooperation agreement with Tiki – one of Vietnam's top e-commerce platforms – to launch Home PayLater, a Buy Now Pay Later product.

Buy Now Pay Later ("BNPL") is an instalment payment mechanism, allowing customers to make purchases first and then pay later in multiple months, subject to the terms defined by the BNPL provider.

Customers who use BNPL will have easy and fast access to credit to make online purchases of their choice, ranging from personal needs such as smartphones, tablets, fashion, and motorbikes to family needs such as furniture, air-conditioners, and other home appliances.

Yet, BNPL is not just about credit, it is about shopping convenience. Home PayLater is a solution that will revolutionise the way how customers shop and they can enjoy immediately their products without adding on financial pressure, by flexibly splitting their cash flow. This will accelerate spending amongst the younger generation, resulting in increasing retail sales, and adding to post-Covid economic recoveries.

"BNPL is becoming a popular way of shopping in Southeast Asia. Home Credit as the leading digital financing brand is excited to join the journey and contribute to promoting this consumption trend in Vietnam's market, starting with a strategic partnership with Tiki. We are launching Home PayLater because we want to be an everyday part of our customers' lives and offer them the best solution in the online and offline worlds," said Anna Matejovska, head of E-commerce and Digital Lending at Home Credit Vietnam.

The BNPL market has recently thrived thanks to many factors, driven by increasing interest in technology, online shopping, and accessibility to modern financial solutions among the younger generation.

Instalment loans have existed for a long time and Home Credit is one of the pioneers in this field. The development of Home PayLater will provide our customers with smart financing and enable the most seamless and enjoyable digitalised experience for their shopping.

Home PayLater will allow millions of Tiki customers to buy the item of their choice with the flexibility to split the payment into 3, 6, or 12 instalments and enjoy attractive interest rates from zero per cent. The whole journey takes less than 5 minutes for first-time registration. Later on, paying with Home PayLater will take seconds to complete, with integrated FaceID technology and OTP to ensure customer data security.

Lu Duy Nguyen, senior director for Software Product Management Engineering at Tiki said, “Through the partnership with Home Credit and the launch of the Home PayLater product, Tiki will be able to add a smart payment option directly from the Tiki app. This will help customers to manage their personal finances when shopping online and will further improve the customer shopping experience on the eCommerce platform."

The Home PayLater cooperation between two prominent players promises to bring many new and convenient shopping experiences to consumers in Vietnam. VIR

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ENERGY

Coal power balance back on the agenda

Following global tensions and heatwaves in its metropolises, Vietnam is becoming more ravenous for energy by the day, demanding not just sufficient but also sustainable solutions against the backdrop of its zero emissions targets.

Since the beginning of the month, the north of Vietnam has been in its hottest period of the summer so far and local electricity shortages are becoming serious.

The Hanoi branch of Electricity of Vietnam (EVN) has updated the daily power cut schedule for the entire city, which constitutes the epicentre of the heatwave, with the highest temperature measured reaching over 40 degrees Celsius, according to the National Centre for Hydro-Meteorological Forecasting.

“According to EVN’s calculations, the north of the country will lack about 1,500-2,400MW during some peak hours or extreme weather in 2022,” predicted Vo Quang Lam, deputy general director of EVN, last November.

“In 2022, electricity demand for socioeconomic development will be at a high level,” Lam added, as the economy gradually recovered from the pandemic and coal mines became increasingly exhausted.

Each year, Vietnam exploits about 40-47 million tonnes of raw while commercial coal reaches about 37-45 million tonnes per year. Coal output for power generation more than doubled from about 32 million tonnes in 2016 to about 70 million tonnes in 2021, as data from the Petroleum and Coal Department under the Ministry of Industry and Trade (MoIT) suggests.

While discussing coal imports with the Minerals Council of Australia in April, MoIT Minister Nguyen Hong Dien said, “Vietnam is short of coal for electricity production. Import demand stands at about 18-25 million tonnes this year.”

Meanwhile, global coal use increased to a record level, pushing up coal prices on the world’s markets. The coal price on May 30 was recorded at $401 per tonne, up 33.76 per cent on-month and 237.26 per cent over the same period last year, according to data from global economic information provider Trading Economics.

The energy price crisis and domestic demand pressure has caused many major economies in the world, especially Europe, to plan to withdraw production restrictions on coal power plants. Meanwhile, Vietnam is making efforts to fulfil its commitment to achieving zero carbon emissions by 2050.

Nguyen Anh Dung, the GIZ's 4E project senior officer, commented last week that major countries could spend several billion US dollars on restarting coal power. "However, Vietnam cannot follow this approach. The country is affected by global coal and petroleum markets, but only in the short term."

Dung – who has conducted several research papers on policies to promote innovation in industries at the Ministry of Science and Technology – found that Vietnam needs a roadmap to close coal power plants, and this closure depends on how Vietnam achieves its net-zero targets.

Returning to coal power, Dung argued, could be "a temporary solution of large economies before switching very quickly to renewable sources of electricity."

The problems of the world's energy market would not affect the general trend in 10-20 years, Dung said. "Germany is now restarting some coal-fired power plants, but maybe in the next few years, when gas supplies gradually stabilise, it will return to green energy sources."

Vietnam has no short-term solution to replace coal-fired power. According to the Electricity Regulatory Authority of Vietnam (ERAV) under the MoIT, the total installed capacity of the power system stands at almost 79,000MW, of which most comes from coal-fired power (32.28 per cent) and hydroelectricity (22.23 per cent). Solar power and rooftop solar power, meanwhile, account for 11.28 and 9.86 per cent, respectively.

Prime Minister Pham Minh Chinh at the end of last month asked the MoIT, EVN, and Vietnam Oil and Gas Group to quickly calculate the total amount of gas to be exploited.

Some calculations pointed out that, when operating the O Mon I-IV plants, all of which belong to the O Mon Power Centre, carbon emissions could be cut by half and thus ensure zero carbon emissions by 2050.

The PM also urged Power Generation Corporation 2 under EVN to research, exploit, and invest more in wind and solar power projects in the region and remove coal from the energy mix.

In the latest draft of the Power Development Plan VIII, the installed capacity of coal-fired power by 2030 is reduced by 8 per cent compared to the draft before COP26, with the note that coal power could be replaced by biomass and hydrogen energy. In case biomass and hydrogen can replace coal, there could be no more coal-fired power plants by 2045.

Now the ERAV is trying to resolve issues related to grid overload and capacity loss in the transmission process, mobilisation in case of excess power, forecasts of renewable energy sources, and mechanisms for the development of battery energy storage

Systems for renewable energy to build and transform the grid system towards using more renewable energy sources.

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Prime Minister told the Vietnam Electricity not to delay or slow down the progress of projects

Prime Minister Pham Minh Chinh told the Vietnam Electricity (EVN) not to delay or slow down the progress of projects, insisting they have the highest determination and carry out all assigned task. He was speaking during a meeting held this week to review EVN's progress during the first half of the year.

The PM believes that by speeding up the implementation of key projects, national energy security will be ensured, aiding the country's overall economic development. He said: "The most important requirement for the electricity industry in 2022 and the following years is to ensure electricity supply for the country's socio-economic development and they must absolutely create no power shortage, and no energy crisis."

The PM added the industry must be developed sustainably, efficiently, transparently, and with healthy competition. Regarding the specific recommendations of EVN to ensure financial balance for the industry, he assigned the Ministry of Industry and Trade (MoIT) and the Commission for the Management of State Capital at Enterprises (CMSC) to direct the Vietnam Coal-Mineral Industry Group and Northeast Corporation to strengthen cost-saving measures to reduce domestic coal mining costs.

At the same time, the PM told them they must ensure and consider increasing the supply of sufficient coal for power production under signed contracts. Chính assigned the MoIT to consider and handle the proposal on the mechanism of non-compensation for capacity with hydropower plants and told the EVN to review, report, and make specific proposals to ministries on forest environmental fees and water resource tax. Since the beginning of 2022, higher prices for electricity production have negatively influenced power costs, according to EVN, adding they have spared no effort to cut costs, and flexibly operate the national power grid with a view to avoiding raising retail sales prices of electricity.

Earlier, the Government chief assigned the MoIT to review and accelerate power procurement with Laos by 2025, underlining the need to resolve obstacles in wind power prices for new projects in accordance with market mechanisms and prevent negative behaviour and corruption.

Last week, MoIT issued Document No 3787/BCT-DL reporting to the Prime Minister on the review of some contents of the Power Development Plan VIII, in which it suggested continuing the implementation of the current 452.62MW and the other ongoing projects with the capacity of 1,975.8MW by 2030. It also proposed to extend the progress of planned but unapproved projects with a total capacity of 4,136.25MW to the period after 2030. According to the draft of PDP VIII, LNG projects are expected to develop with a total capacity of 23,900MW, accounting for 16.4 per cent of the total capacity by 2030.

It suggested allowing and prioritising without limitation on the scale of the project capacity, regardless of the existing capacity structure of the planning the development of the form of self-production, self-use, not generating electricity on the grid; or power projects produced by new forms of energy.

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RETAIL

Retail companies expect lower profit growth

Rising inflation will have a negative impact on consumer spending, and the earnings growth of retail businesses may not be as high as previously expected, SSI Securities Inc has forecast.

In the information technology and home electronics (ICT and CE) segments, Digiworld (DGW) announced a 20 per cent increase in net profit in the second quarter of this year, much lower than the 97 per cent increase in the first quarter.

Mobile World Group (MWG) reported a 2 per cent increase in revenue from the ICT and CE segments in May, much lower than the 20-22 per cent increase from February to April.

Digiworld's (DGW) profit growth peaked in the fourth quarter of 2021 thanks to unusually high laptop sales, but the fourth quarter profit growth is likely to be negative. In 2023, DGW's profit may still increase due to more contributions from newly signed contracts, such as Whirlpool and Joyoung brand home appliance distribution contracts. Revenue from existing contracts may continue to increase as Xiaomi mobile phones continue to penetrate the market and iPhone selling prices continue to increase every year.

FPT Retail (FRT)'s profit also peaked in the fourth quarter of 2021 thanks to unusually high laptop sales, but in the fourth quarter, profit may decrease. FRT’s profit can still increase in 2022, although very little, thanks to increased market share in the retail ICT industry and pharmacy chain. Thanks to its experience in the pharmaceutical retail business, FRT’s Long Châu pharmacy brand will continue to gain market share from retail drug stores.

Mobile World Group (MWG) will also see profits rise thanks to increasing market share in ICT and CE segments, although the growth is relatively low. MWG's profit growth in 2023 depends on the success of its retail chain Bách Hoá Xanh's (BHX) restructuring in the second and third quarters of this year. If the restructuring is successful, future profit growth could catch up with pre-pandemic growth at 30-40 per cent, as in the 2017-2019 period.

According to SSI Research, the revenue growth in the second half of the year for the ICT & CE segment will be larger than the growth in the first six months. For companies with a high share of laptop sales in total revenue, such as FPT Retail and Digiworld, revenue growth is likely to be in the single digits in the second half of 2021 due to the chip shortage problem.

In 2023, SSI Research has forecast flat revenue for the ICT segment and single-digit growth for the CE segment. Larger companies will gain more market share through strong bargaining power with suppliers, allowing them to mitigate the impact of rising costs and thereby offer more discounts to support customers in the context of inflationary pressure.

In the jewellery segment, although the challenging inflationary environment may negatively affect the demand for gold jewellery in the last six months of 2022, the revenue growth of jewellery companies still benefits from the post-COVID-19 recovery.

In 2023, a large-scale economic slowdown will put pressure on gold demand, but the impact and persistence of inflation in Việt Nam will be the decisive factors for the consumption of high-income people on non-essential goods such as jewellery, according to SSI Research. Therefore, demand in 2023 is unlikely to exceed pre-COVID-19 levels.

Inflation and recession will negatively affect spending on non-essential items. Low-income people are affected first, while spending on non-essential items by high-income people remains stable. However, if inflation and recession persist, the spending of high-income people will also suffer.

According to SSI Research, Phú Nhuận Jewelry (PNJ) may achieve the highest growth in profit in 2022's third quarter. It made a loss in the third quarter of 2021 as it had to close many stores due to strict social distancing measures. Vietnamplus

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The the Ministry of Industry and Trade drafts circular on supermarket management

The draft circular on the classification and management of some types of commercial infrastructure has caught public attention. According to the Domestic Market Management Department, the new circular will follow regulations of Decision 1371/2004/QD-BTM and amend regulations which have become unsuitable to the new circumstances.

The biggest difference between Decision 1371 and the draft circular compiled by MOIT is the addition of criteria for mini marts, convenience stores, outlet stores and outlet centers. Meanwhile, the criteria for supermarkets and shopping centers and many of the regulations are nearly the same as the provisions in Decision 1371

The only difference between the draft circular and Decision 1371 in the criteria for first-class general supermarket is in the required retail premise area. Under the decision, a supermarket must have a minimum area of 5,000 sq m, while the draft circular says it is 3,500 sq m. Meanwhile, the criteria for second-class general supermarkets in the draft circular have been 'copied' from Decision 1371, i.e. they must have 2,000 sq m at minimum and sell 10,000 products. Specialized supermarkets have to have an area of 500 sq m or higher, and sell more than 1,000 product items. Regarding mini marts, MOIT believes that it must have a business area of at least 80 sqm, and sell more than 500 product items.

Convenience stores must have a minimum business area of between 30 sqm and 200 sqm. The products at the stores are mostly food, groceries and FMCG. At the stores, buyers serve themselves and make payment at counters. The draft circular requires first- and second-class supermarkets to have food and entertainment services, while shopping centers must reserve areas for entertainment activities, offices for lease and an area for finance and banking activities.

Some analysts pointed out that the proposed regulations in the draft circular impose too much intervention in enterprises' business freedom. It is unreasonable to require supermarkets, shopping centers and outlet centers to set operation regulations and reserve areas for displaying and selling local specialties.

Except the figures about required areas and number of product items, the other criteria in the draft circular are described with general phrases such as 'convenient', 'modern', 'diverse' and 'quality assurance'. The Vietnam Confederation of Commerce and Industry (VCCI) has proposed the removal of the regulations. An expert questioned why MOIT wants to use criteria set 15-20 years ago.

VCCI, which has been asked to offer suggestions for the draft circular, said it cannot understand what the circular is for, and has asked the compilation agency to explain the necessity of the issuance of the document. Nguyen Thi Minh Thao, Head of Business Environment and Competitiveness Research Department under the Central Institute of Economic Management (CIEM), also commented that there are many unreasonable requirements in the draft circular.

“Will there be any effects on tax payments and consumer benefits if one commercial establishment is called a supermarket instead of shop? The problem is that I cannot see if the classification will ensure national benefits, benefits for consumers and state management,” Thao said.

“Business conditions, when they are set forth, have to serve the benefits of the nation and consumers, and ensure social order and people’s health. I don’t know what the new regulations protect. Maybe I still don’t have enough information about this,” she said.

She said there is no need to set requirements on a supermarket’s area, because many supermarkets have warehouses in many different places. Supermarkets in modern times don’t have to display all products on shelves.

“Online sales have been developing very well and supermarkets have begun using this distribution channel. Is Amazon called a supermarket? What is Shopee?” she said. “It is a blunder to use an old management mechanism for the new development trend."

Meanwhile, according to the Domestic Market Management Department, some provincial industry and trade departments have asked to replace Decision 1371 with another legal document.

In its report to MOIT in July 2020, the Ha Tinh People’s Committee said that the Decision 1371 was issued many years ago (2004) and is no longer suitable to the new circumstances, which needs amendment and replacement.

The Bac Giang Industry and Trade Department said that since agencies still have not yet set standards and requirements on supermarkets and shopping centers, the investment and construction of commercial establishments does not fit the urban landscape and commercial civilization. This also places difficulties for management, supervision and handling of violations.

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LOGISTICS

Shipping route opened to link Vietnam and three Asian nations

Three South Korean shipping lines – Pan Ocean Lines, Hyundai Merchant Marine and SM Lines – have jointly inaugurated a container shipping route linking Vietnam's HCMC and three other Asian countries – Thailand, China and South Korea.

Container ships active on the route, with a weekly service, will transport cargo from the SP-ITC International Container Terminal in HCMC to Leamchabang Port in Thailand, the Port of Incheon in South Korea, and Hekou Port, the Port of Qingdao and the Port of Shanghai in China.

The new route is expected to contribute to boosting the transport of goods between Vietnam and the three other countries.

In late 2021, the State-owned Vietnam Maritime Corporation opened a container shipping route linking Vietnam, Malaysia and India. With the launch of the shipping route, the transportation time is shortened by 10 days. Saigontimes

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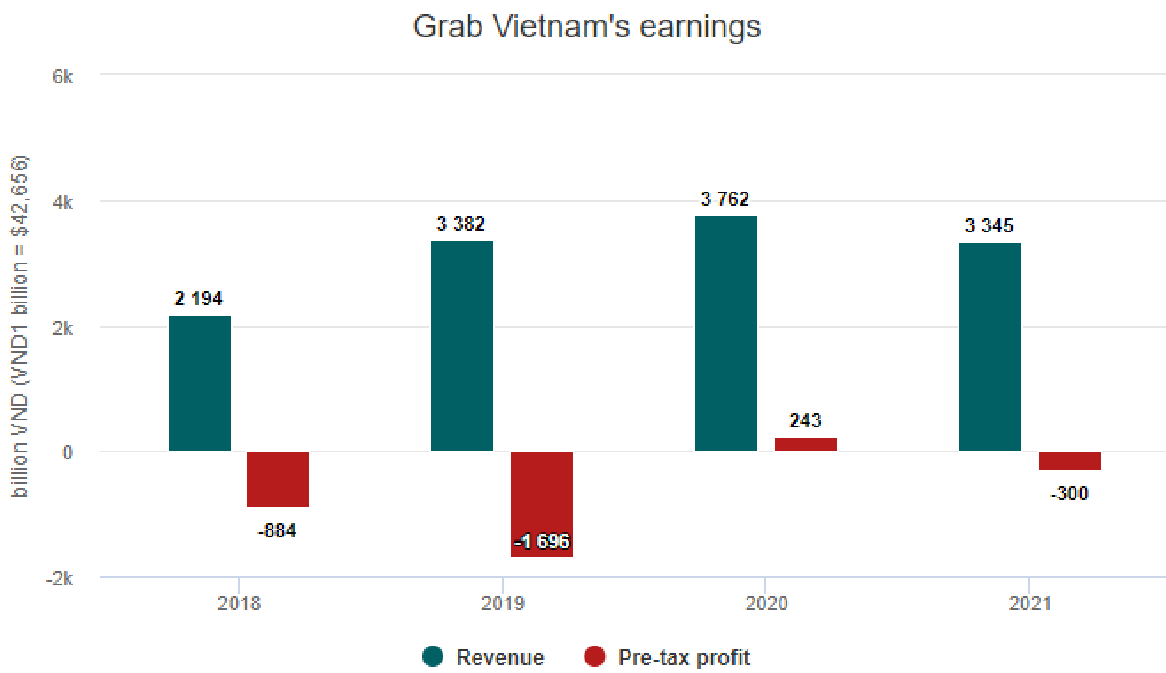
Grab Vietnam posted a loss of US$ 12.82 million in 2021

Grab Vietnam posted a loss of VND300.5 billion ($12.82 million) last year, with surging expenses on promotions and advertising amid intensifying competition.

The company saw revenue decline by 11 percent from 2020 to VND3.35 trillion, according to its financial report. It spent VND1.62 trillion on promotions, up 22 percent, and VND303 billion on advertising, up 46 percent, as competitors like Gojek, ShopeeFood and Baemin race to attract customers via discounts.



By the end of last year Grab was recording an accumulated loss of VND4.36 trillion. It held VND4.28 trillion in long-term debt to GrabTaxi Holdings and Grab Inc. Both loans have zero percent interest and no collateral. Grab had recently been ordered by the Vietnam Competition and Consumer Authority to explain its "heatwave surcharge" it added earlier this month in an unprecedented move in the ride-hailing industry.

In March, the company raised fares by VND500-2,500 to help drivers cope with surging gasoline prices. Vnexpress

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INVESTMENT

VinFast to raise US$ 4 billion from Credit Suisse and Citigroup for an electric vehicle factory in the US

Automaker VinFast on July 13 announced that it has signed agreements with Credit Suisse (Singapore) Ltd and Citigroup Global Markets Inc. to raise at least 4 billion USD to develop an electric vehicle factory in North Carolina, the US.

The deals were signed by Singapore-based VinFast Trading and Investment Pte. Ltd, with each valuing at least 2 billion USD.

VinFast's factory will create a major manufacturing centre in Chatham County's Triangle Innovation Point megasite, covering an area of 800 hectares, with three main areas for electric cars and buses production and assembly, EV batteries production, and supporting industries for suppliers.

In the first phase, the factory will have a capacity of producing 150,000 vehicles each year. VinFast will continue to invest in this factory in future phases. Vehicles to be produced at the site include the VinFast VF 9, a 7-passenger all-electric Sport Utility Vehicle (SUV) model, and the VinFast VF 8, a 5-passenger all-electric mid-size SUV one.

Le Thi Thu Thuy, Vingroup Vice Chairwoman and VinFast Global General Director said that leading credit institutions' accompanying with VinFast has not only proved the prestige of VinFast but also showed the confidence of its partners in the firm's investment plan in international market in general and the US in particular, especially the building of its factory in North Carolina.

Headquartered in Switzerland, Credit Suisse is one of the world leading investment banks with its strength in asset management, banking and investment services.

Meanwhile, Citigroup is strong in strategic consulting and capital mobilisation, providing services to corporations, large financial institutions and governments across the world. It covers 95 countries globally. Vir

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Ho Chi Minh City calls for US investment in financial, infrastructure sectors

A delegation of Ho Chi Minh City led by Chairman of the municipal People's Committee Phan Van Mai met with several enterprises of the US on July 18 - 19 as part of their ongoing working trip to the US.

At the meeting with the Bank of America (BOA) - the second largest bank in the US, Mai highlighted some of his city's advantages for investors, including political and macro-economic stability.

As HCM City is the largest economic hub of Vietnam and working to develop itself into an international financial centre, it wishes to earn from the BOA's experience so as to make appropriate moves. It also hopes investment funds and enterprises of the US will come to invest in such fields as finance, high-tech industry, digital transformation, infrastructure, education and health care, he said.

Madhu Kannan, Executive Vice Chair of Global Corporate and Investment Banking at the BOA, said his bank has decided to open a Vietnam branch based in HCM City, which will create many favourable conditions for investors when they come to the city.

However, the branch opening is lagging behind schedule to the COVID-19 pandemic, so the BOA hopes that local leaders will give support so that the branch will become operational soon. In reply, Mai pledged to promote the branch opening, expressing his hope that BOA executives will visit HCM City in the near future to discuss cooperation.

During their visit until July 25, the Vietnamese delegation also had working sessions with the parties involved in the building of a financial centre and an innovative city in HCM City. They met representatives of McKinsey & Company, a provider of management and strategy consulting services, which shared experience in managing and operating New York's Financial District, and in combing a traditional financial centre with the model of a startup and innovation support centre, technology incubator and fintech ecosystem.

Talking to Sasaki Associates Inc., Mai said he hopes the company will coordinate with the HCM City Department of Planning and Architecture to make the general planning for Thu Duc city and share knowledge to help HCM City effectively tap into the banks of the Sai Gon River and land in the vicinity of arterial roads.

At the meeting with the KKR investment firm, the Chairman presented three transport projects in his city, namely a metro system, a railway network connecting localities in the HCM City region, and a railway linking HCM City with the Mekong Delta city of Can Tho.

He called for KKR to invest in those projects, which he said are critical to the development of not only HCM City but also the entire southern region. VNA

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