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The State Bank of Vietnam to withdraw approximately US\$ 3.26 billion from the banking system

The State Bank of Vietnam (SBV) has undertaken significant measures to withdraw approximately US\$ 3.26 billion from the banking system across the last five trading sessions. This move responds to a lending slowdown earlier this year, prompting the central bank to intensify efforts to reduce excess liquidity.

In a recent auction on March 15, the SBV auctioned \$653 million worth of 28-day Treasury bills, with 11 out of 12 participants acquiring them at a slightly reduced coupon rate of 1.38% per annum.

In the preceding four sessions, the SBV withdrew \$2.61 billion through 28-day Treasury bills at a coupon rate of 1.4% per year. This cumulative action resulted in a net withdrawal of \$3.26 billion, with no indication of any counterbalancing reverse repo activities.

These actions are aimed at supporting the exchange rate, which has faced pressure due to excess short-term Vietnam dong liquidity within the banking system. Consequently, interbank interest rates have surged, with the average overnight interbank dong interest rate rising to 1.47% on March 13, up from 0.76% on March 11 and 0.77% at the end of the previous week, according to the latest SBV data. Vietnamnet

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The Airports Corporation of Vietnam has proposed building a second runway for the Long Thanh International Airport

The Airports Corporation of Vietnam (ACV) has proposed building a second runway for the Long Thanh International Airport after the first runway is put into service. ACV is considering utilizing an estimated \$173.7 million saved during the implementation of the first phase of the Long Thanh airport project to fund the construction of the second runway.

Earlier this year, following a review of the management and use of investment capital in component 3 of the first phase of the project, the State Audit of Vietnam (SAV) recommended constructing the second runway once the first phase is operational.

SAV emphasized the importance of ensuring the uninterrupted operation of the Long Thanh airport in case of incidents or malfunctions on the first runway.

The first phase of the Long Thanh International Airport project requires a total of nearly \$4.8 billion. ACV is responsible for essential items within the airport under the third component, valued at \$392.8 million.

For the construction of the passenger terminal, ACV has selected the VIETUR consortium as the contractor, and work on the project began on August 31, 2023.

According to Vu The Phiet, general director of ACV, most of the project packages are meeting timeline requirements.

The first runway can be completed by April 30 next year, with work on taxiways and parking facilities expected to be finished by June 2025. The Saigontimes

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Wood, furniture firms advised to take advantage of e-commerce

Vietnamese wood, furniture, and handicraft businesses are urged to embrace online sales channels to enhance brand recognition and access wider customer bases, emphasized Duong Minh Tue, Vice Chairwoman of the Handicraft and Wood Industry Association of Ho Chi Minh City (HAWA). Despite challenges in traditional export markets due to weak global demand and protectionist measures, Vietnam's wood industry has flourished in key markets such as the US, EU, RoK, and Japan, as well as emerging markets like the UAE and India.

Participation in e-commerce platforms presents a new avenue for growth, noted Tue. This sentiment was echoed by Nguyen Thanh Yen My, Senior Account Manager of Amazon Global Selling Vietnam, highlighting the steady growth of global e-commerce. In particular, the US market, Vietnam's largest export destination, is projected to see substantial growth in the furniture e-commerce sector.

Jimmy Wang, Wayfair Supplier Acquisition Senior Manager, emphasized the potential of cross-border e-commerce for Vietnamese businesses, citing examples of Chinese suppliers leveraging these platforms. However, Wang identified challenges such as customer trust and service quality. He stressed the importance of prioritizing customer comfort and providing excellent service to foster trust in online transactions.

To address these challenges, e-commerce platforms offer various support services, from product listings to shipping and returns, aiming to enhance the overall shopping experience. Vietnamese businesses are encouraged to invest systematically in online sales activities and diversify their sales channels to capitalize on the opportunities presented by cross-border e-commerce and meet the evolving demands of global consumers. Vietnam plus



The Dutch company expands collaboration with PTSC G&S to bolster Vietnam's offshore wind industry

Dutch offshore survey firm Fugro has announced the extension of its Memorandum of Understanding (MoU) with Vietnam's PTSC Geos & Subsea Services Co., Ltd (PTSC G&S) to cater to Vietnam's burgeoning demand for geophysical, geotechnical, and metocean data services, particularly in the offshore wind sector.

This two-year agreement combines Fugro's extensive marine site characterization services with PTSC G&S's local surveying capabilities to support Vietnam's rapidly expanding offshore wind industry. The partnership, established in 2011, underscores both parties' dedication to advancing Vietnam's offshore wind sector in alignment with the country's ambitious targets outlined in the 8th Power Development Plan (PDP8) of 2023. These targets include an initial goal of 6 GW of offshore wind energy by 2030 and an ambitious long-term target of 70 GW to 91.5 GW by 2050, crucial for Vietnam's aim of achieving carbon neutrality by 2050.

Jerry Paisley, Fugro's regional strategic sales and marketing director, expressed excitement about unlocking geo-data insights to propel Vietnam's offshore wind market forward, citing the country's significant potential for offshore wind power. Truong Tuan Nghia, director of PTSC G&S, highlighted the company's decades-long experience in serving Vietnam and Southeast Asia, underscoring their commitment to delivering comprehensive survey services to clients across Vietnam's energy sector.

Fugro, a global leader in geo-data services, adopts an integrated approach to collect and analyze earth-related information, offering tailored solutions. PTSC G&S, a subsidiary of PetroVietnam Technical Services Corporation (PTSC), brings its extensive experience in providing survey services to the oil and gas industry, positioning itself as a key player in Vietnam's energy landscape.

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Vingroup to divest its stake in Vincom Retail, marking a significant shift in Vietnam's retail landscape

Vingroup JSC, led by billionaire Pham Nhat Vuong, has unveiled plans to divest its stake in Vincom Retail, marking a significant shift in Vietnam's retail landscape. The conglomerate's Board of Directors has finalized an agreement to fully divest its contributed capital in SDI Trading Development and Investment JSC, which holds a substantial share in Vincom Retail.

This transaction, slated between March and the third quarter of 2024, will see Vingroup no longer serving as the parent company of the nationwide retail center system. While Vingroup will retain 18.82% of the voting rights in Vincom Retail, it aims to concentrate its resources on robust development endeavors.

Despite Vincom Retail's impressive financial performance, including net revenue exceeding \$426.8 million and profit after tax surpassing \$192.6 million in 2023, Vingroup seeks to reallocate its focus. This strategic move reflects the conglomerate's commitment to channeling its resources into areas of high growth potential.

Following the divestment, Vingroup will maintain its role in managing the activities of the retail centers on behalf of Vincom Retail, ensuring continuity in operational efficiency and tenant relations. Meanwhile, Sado Trading Commercial JSC, a key player in Vincom Retail, will undergo significant restructuring as it transitions out of Vingroup's umbrella.

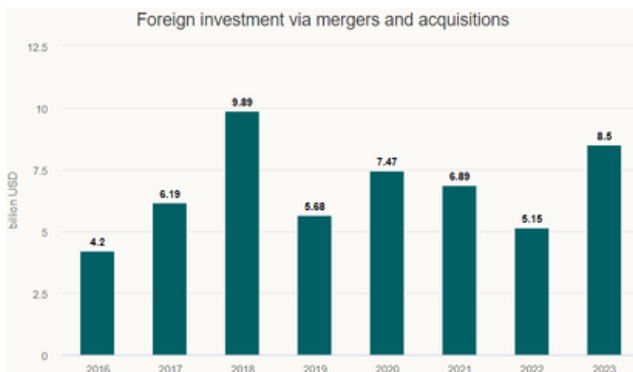
This divestment signifies a pivotal moment for both Vingroup and Vincom Retail, as they embark on independent trajectories in Vietnam's dynamic retail sector. VNS

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Foreign investment is driving significant mergers and acquisitions activity in Vietnam

Foreign investment is driving significant mergers and acquisitions (M&A) activity in Vietnam, evident in recent high-profile deals such as Nebula Energy's acquisition of a stake in the Cai Mep LNG Terminal and Siam Commercial Bank's purchase of Home Credit Vietnam.



This trend mirrors 2023, where foreign investors dominated the M&A market, executing over 3,450 deals worth \$8.5 billion, a substantial increase from the previous year. Japanese investors particularly led the M&A scene as of October 2023, with \$1.6 billion invested. The surge in foreign capital is attributed to Vietnam's perceived long-term potential and the preference of domestic businesses for overseas investment due to lower costs and access to technology and market opportunities.

Vietnam's strategic location in the global supply chain and its extensive network of free trade agreements further attract foreign investors, particularly as manufacturing shifts away from China. Looking ahead, experts anticipate continued dominance of foreign investors in Vietnam's M&A market. They predict particular interest in sectors with long-term growth prospects such as agriculture, food, healthcare, and education, as well as businesses with strong Environmental, Social, and Governance (ESG) strategies. Additionally, sectors like retail and technology are expected to draw foreign attention. Overall, foreign investment is poised to play a pivotal role in shaping Vietnam's economic landscape, driving growth, innovation, and strategic development across various sectors. Vnexpress

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