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Vietnam Proposes Deferring 36th ASEAN Summit, Related Summits

Prime Minister Nguyen Xuan Phuc has proposed ASEAN counterparts to defer the upcoming 36th ASEAN Summit and the ASEAN - New Zealand Leaders' Summit, until the later half of June 2020 in Da Nang.

The move was made as the novel coronavirus (COVID-19) has continued to spread across the region and the world, prompting the World Health Organization to declare it a pandemic on March 11.

In his letter addressed to his ASEAN peers, Prime Minister Phuc wrote that "Vietnam will further consult with ASEAN Member States on the specific date of the Summits."

Over the past time, Vietnam has made active efforts and at this stage, has completed necessary preparations for the 36th ASEAN Summit, affirmed Prime Minister Phuc.

Given the complex developments of the COVID-19, "thanks to your support and that of other ASEAN leaders, the Chair has issued an ASEAN Chairman's Statement reflecting our collective will to strengthen cooperation in response to the COVID-19 outbreak," Prime Minister Phuc added.

He expressed his confidence that with shared determination and joint efforts, in the spirit of solidarity, caring and mutual support, the ASEAN Community shall have

the strength to stand strong before all challenges, and secure peace for its peoples and prosperity for its members.

Phuc took the occasion to express sincere appreciation for the wholehearted support and collaboration that ASEAN leaders have extended to Vietnam as the ASEAN Chair in 2020, to move forward a cohesive and responsive ASEAN Community and successfully realizing the ASEAN Community Vision 2025.

On the occasion, Prime Minister Phuc also sent a letter to New Zealand's Prime Minister Jacinda Ardern to inform her about his proposal on rescheduling the ASEAN - New Zealand Leaders' Summit which had been planned to be held back-to-back the 36th ASEAN Summit in Da Nang on April 9.

However, as the COVID-19 expanded its complex developments in the region and the world, Prime Minister Phuc said he asked other ASEAN Leaders to defer the meetings until the later half of June 2020.

"The specific date will be decided after consultations with other ASEAN Member States. I seek your understanding on this decision, and look forward to welcoming you in Vietnam for an official visit when the ASEAN-New Zealand Leaders' Summit convenes," Prime Minister Phuc wrote. ■

VGP

Vietnam, Senegal Look to Sign Extra Deals to Boost Trade, Investment

Vietnam and Senegal will complete the necessary legal steps to ink a number of agreements to boost bilateral trade and investment.

The two sides reached the agreement at working sessions held during a visit of Vietnamese Ambassador to Algeria and Senegal Nguyen Thanh Vinh, accompanied by the defence attaché and trade counsellor of Vietnam to Algeria and Senegal from March 8-14.

Ambassador Vinh presented his letter of credentials to Senegalese President Macky Sall on March 10, followed by a reception hosted by the president.

President Sall highlighted the Vietnam-Senegal relations, saying the two countries are friends with long-standing ties. He reiterated that Senegal wants to further boost cooperation with Vietnam in multiple sectors, particularly trade, investment, agriculture and industry.

The president emphasized the close partnership between the two nations in agriculture, with Vietnam sending many experts to share experience and helping the Senegalese people develop paddy rice farming, contributing to strengthening the African country's food security.

The Vietnamese diplomat, for his part, said Vietnam always attaches importance to traditional relations and multi-faceted cooperation with Senegal in areas where both sides have advantages, such as agriculture, sea-based economy and trade.

He vowed to do his utmost in his new position to foster friendship and cooperation between the two countries.

Ambassador Vinh also had separate working sessions with Senegal's Ministry of Foreign Affairs, Ministry of Commerce, and Chamber of Commerce and Industry, during which the two sides again affirmed they hold great potential to expand partnerships in agriculture, trade, marine economy and information technology.

The two sides agreed to continue completing a legal framework for the signing of a Memorandum of Understanding on industry and trade and agreements on investment protection and double taxation avoidance to encourage more of their businesses to invest and trade with each other.

They will also increase exchanges of trade promotion delegations and take part in large international trade fairs and exhibitions on each side, for example, the Vietnam Expo and Foire Internationale de Dakar.

The Senegalese side asked Vietnam to share experience in international integration and signing free trade agreements with major partners around the world, and hoped to see more Vietnamese firms investing in cashew nut and fruit processing, rice production and telecommunication services.

Vietnam and Senegal set up diplomatic ties in December, 1969. In 2019, Vietnam's exports to Senegal totaled US\$52.56 million, doubling the previous year's figure. The exports included US\$32 million worth of rice.

Vietnam's imports from the African country however went down by 50 percent to US\$15 million.

VNS

Social Insurance Payment Extended for Covid-19 Affected Businesses



The Vietnam Social Security (VSS) also sent Official Letter 793 to the Ministry of Labor, Invalids and Social Affairs, proposing a delay in social insurance payment by companies affected by the Covid-19 epidemic as directed by the Prime Minister.

Specifically, VSS General Director required social security agencies to work with the Departments of Labor, Invalids and Social Affairs and the Departments of Finance of provinces and cities to report to the Chairperson of the Provincial/Municipal People's Committee to review and guide business entities with 50% of insured employees laid off to make a report on delayed payment of social insurance premiums to the retirement and death allowance fund. Accordingly, this will start from the month proposed by businesses to June this year.

At the same time, it will receive and immediately resolve applications for delayed social insurance payment to enterprises' retirement and death allowance funds and will not impose interests as usual.

The Ministry of Labor, Invalids and Social Affairs recently delivered an official dispatch to the Vietnam Social Security (VSS), allowing a temporary halt in payments to the retirement and death allowance fund by businesses adversely hurt by the Covid-19 epidemic.

While companies are enjoying an extended period of social insurance premium payment, no specialized inspection into payment or regular inspection to social insurance, health insurance and unemployment insurance will be conducted if they reveal no signs of law violation.

In the event that the Covid-19 epidemic does not ease as expected and businesses send requests, provincial/municipal social security authorities will work with the Departments of Labor, Invalids and Social Affairs and the Departments of Finance to report the Provincial/Municipal People's Committees which will forward to the VSS for consideration and settlement.

In response to the Official Letter from VSS, the Ministry of Labor, Invalids and Social Affairs asked VSS to base on Official Letter 797, which guides local social security agencies to unify implementation and specify urgent tasks and solutions to remove business difficulty, ensure social security and respond to Covid-19.

Previously, in its proposal on support for businesses to get through Covid-19 pandemic, the Vietnam Chamber of Commerce and Industry (VCCI) has submitted a report to the Prime Minister, suggesting the adoption of urgent measures:

First, further maintaining macroeconomic stability, curbing inflation to attract investment and maintain growth, trying to achieve the goals set by the National Assembly. This is the most important foundation and approach for efforts of all levels and branches.

Second, speeding up the settlement of administrative procedures related to investment and business at all levels, all branches and all fields; reviewing and resolving early investment procedures for large projects in both public and private sectors or public-private partners to accelerate disbursement and mobilize all social capital for production and business.

Resolutely avoiding cash lockup due to administrative procedures; working closely with authorities to promptly handle what causes congestion in export and import with China.

Further improving clearance procedures for import and export goods through border gates, ensuring speed and convenience, and ensuring measures to prevent the contagion appropriately.

Flexibly addressing post-customs clearance procedures to assist enterprises to swap material/supply codes to deal with supply chain disruptions, ensure input supplies for production and business, maintain order and employment for workers.

Third, the State Bank considers lowering basic interest rates. Commercial banks freeze and extend loans, reduce lending interest rates, expand loan limits, restructure corporate loans in the sectors hit hard by the plague such as tourism, service, agricultural export, transportation, garment and textile, and footwear.

Focusing priority on sectors and fields that employ a lot of workers and potential businesses.

Fourth, extending, postponing and submitting to the mid-year gathering of the National Assembly a proposal on timed exemption and reduction of taxes and fees payable by companies engaged in the fields negatively affected by Covid-19.

Fifth, extending payment schedules, reducing rents of land and business premises for businesses affected by the pandemic.

Sixth, temporarily not collecting some administrative fees and charges, not increasing prices of services and input materials for production and business administered by the government, not collecting C/O fees imposed on import-export; expanding visa exemption for countries and territories, tourist visa exemption, visa extension and visa fee reduction to recover tourist flows.

Seventh, relaxing, postponing and reducing contributions to the Social Insurance, Unemployment Insurance, Health Insurance Fund by Covid-19 affected businesses. Social security agencies research and support them to pay salaries for laborers fired because of the Covid-19 epidemic.

Eighth, encouraging suppliers to not increase service prices, freight rates and supply prices in the near future and not reduce prices and charges for businesses.

Ninth, promoting the development of the domestic market, strengthening linkages to grow the domestic market between enterprises and business associations in the consumption of products and services, seek supply and input sources, sharing technology and management experience

Tenth, promoting trade and investment, supporting businesses to find markets, diversifying markets and tapping new markets opened from free trade agreements, including the EU - Vietnam Free Trade Agreement (EVFTA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Eleventh, the effect of Covid-19 epidemic forces us not only to restructure the market, but also to reduce meetings, festivals, travelling, ostentatious activities and other expenses in the course of the epidemic. This has showed us new room and hints about models and approaches for reorganizing life and work, saving and improving the working efficiency of society, authorities, businesses, and families.

In reality, we can completely do it differently to reduce costs more, save more and be more practical. It is also an important solution.

Twelfth, this year, we are coping with the epidemic, starting to execute new-generation free trade agreements and preparing the Party Congress at all levels for the 13th National Party Congress. Therefore, VCCI has proposed launching a new wave of reforms in economic institutions called "Agenda 25-20" for the year 2020 with the main focus on finishing 25 overlapping points in business and investment laws, further reducing and simplifying at least 20% of business conditions and administrative procedures in specialized inspection.

The improvement of the institutional system, integrated with the launch of e-government and the effort of the business community in innovation, business model transformation, sustainable development will certainly spark new economic dynamics. This is both an immediate urgent measure and a fundamental and long-term measure.■

H.N

TWO NEW TOWNS IN TAM DAO A Push to Real Estate Market

Tam Dao district of Vinh Phuc province recently announced a Resolution of the National Assembly's Standing Committee on establishment of Hop Chau Town and Dai Dinh Town under the district.

On March 18, the Party Committee, the People's Council, the People's Committee and the Fatherland Front Committee of Tam Dao district hosted a ceremony to announce the resolution.

According to Resolution 868 dated January 10, 2020 of the National Assembly's Standing Committee, Hop Chau Town, covering 9.99 square kilometers and having 10,267 residents, was upgraded from Hop Chau commune. The town is bordered by Ho Son and Minh Quang communes (Tam Dao district), Binh Xuyen district and Tam Duong district.

Dai Dinh Town was established from Dai Dinh commune, which covers 34.56 square kilometers and has a population of 11,520. It is surrounded by Bo Ly, Dao Tru and Tam Quan communes (Tam Dao district), Lap Thach, Tam Duong districts and Thai Nguyen province.

After these changes, Tam Dao district has nine communal administrative units, including six communes and three towns.

Hop Chau is a political, economic, cultural and social center of Tam Dao district. It is accessible from passing national and provincial roads. This is also an important area, a gateway to key tourist areas and urban areas of the province.

Dai Dinh also has many cultural and spiritual works such as Tay Thien Cultural and Festive Center Area, Truc Thien Tay Lam Zen Monastery, Bao Thap, Thien An Pagoda, and community-based cultural and tourism village (Den Thanh village), and a cable car project carrying visitors to temples on Tam Dao Mountain.

More real estate businesses have tended to focus attention on Tam Dao Town of Tam Dao district. This is expected to draw property investors to the most exciting real estate market in terms of land and services.

According to surveys, the land price here has doubled or even tripled since 2017 and is expected to increase even more according to provincial planning. Vinh Phuc province is said to be particularly interested in turning Tam Dao into a town of green resorts.■

L.N

Easing Burdens for Businesses

QUYNH CHI

Anticipating that the Covid-19 pandemic will evolve complicatedly and unpredictably, the Prime Minister has requested relevant agencies to remove hardships and create favorable conditions for enterprises to access capital, credit, finance, tax, trade and electronic payment. In particular, credit institutions pledged to launch a credit support package of VND250 trillion (US\$10.8 billion) to finance their production and business activities, shorten the time to consider borrowing applications, reschedule loan repayment terms, consider rate cuts and exemptions, and reduce fees. The support package of VND30 trillion (US\$1.3 billion) will focus on tax and fee exemption and reduction.

Support for various industries

The Prime Minister demanded reviewing and reducing administrative procedures and costs for businesses such as reducing administrative procedures, maritime logistics, aviation, road, inland waterway and railway costs; not

performing regular inspection in tax and customs in 2020 in businesses without any sign of violation; not adjusting State-fixed prices of goods used as inputs for production in the first quarter and second quarter of 2020.

For the tourism and aviation industries, the Prime Minister urgently requested policies to revitalize these industries like launching national tourism promotion activities, stimulating domestic tourism demand, and introducing new products to international tourists.

He also asked relevant agencies to review and improve electronic visa procedures, propose travel visa-waiver for certain tourists till the end of 2020, first of all the regions and countries unaffected by the epidemic. Difficulties in the aviation industry will be resolved by cutting prices, fees, charges and costs.

The Prime Minister also asked to accelerate implementation, disburse investment capital and improve business environment. Particularly, relevant ministries and agencies must study the conversion from public-private partnership (PPP) investment to public investment in key projects, such as My Thuan - Can Tho Expressway, some sections on Eastern North-South Expressway in 2017-2020.



Tax payment relaxed for affected businesses

On March 10, the Ministry of Finance published a draft decree to extend tax and land rents to support companies, households and business individuals directly and severely affected by the Covid-19 pandemic. Accordingly, the ministry proposed a 5-month extension of value-added tax (VAT) payment from March to June for companies and business individuals. The total amount of deferred tax was estimated at VND30 trillion. The deadline for paying these two taxes is prior to December 15.

Entities to be supported are engaged in agriculture, forestry and fishery, food, textile, apparel, footwear, rubber, electronics, computer, automobile (except for manufacturing and assembling cars with nine seats or fewer), rail, road, water and air transportation, warehousing and transport support, accommodation service, catering service, travel agency, tour and support services, and tour promotion.

In addition, small and micro enterprises are also entitled to a 5-month extension of VAT.

According to the draft decree, the Ministry of Finance recommends a 5-month extension for VAT payable in March, April, May and June this year from the end of the current regulatory payment deadline.

The deadline for paying VAT in March is September 20 instead of April 20. The payment deadline for April, May and June VAT is October 20, November and December 20, respectively.

Entities that register to pay VAT on a quarterly basis are entitled to extend this tax incurred in the first and second quarters of this year. The extended deadline will be September 30 and December 30 for the first quarter and the second quarter tax.

According to regulations, business entities shall declare tax monthly if the total revenue of the preceding year's goods and services is VND50 billion or more and make quarterly tax declaration if the value is less than VND50 billion.

The Ministry of Finance also recommended that enterprises and organizations eligible for VAT extension only need to submit monthly and quarterly VAT declarations according to current regulations. And, VAT is not required for immediate payment but in a five-month time.

With the 5-month extension of the VAT payment deadline from March to June, the ministry estimated that the budget revenue will decrease by about VND22.6 trillion (nearly US\$1 billion), of which VND11.7 trillion will be for big companies and VND10.9 trillion for small and micro enterprises. But, in the end, the budget revenue in 2020 will not decrease because delayed tax must be settled before December 31.

Individuals and households doing business in the above sectors will be also entitled to the VAT and personal income tax payment extension. The value was estimated at VND3 trillion. ■

Interest Rates Lowered to Support Business

The State Bank of Vietnam (SBV) has decided to reduce regulatory rates to support businesses adversely affected by the Covid-19 pandemic.

QUYNH ANH

According to its decision on rate adjustment, effective from March 17, the SBV reduced the refinancing rate to 5% per annum from 6%, the discount rate to 3.5% per annum from 4%, and overnight interbank lending interest rate in electronic payment and capital shortage clearance rate to 6% per annum from 7%. The offered rate of valuable papers through open market operations (OMO) decreased from 4% to 3.5%.

At the same time, the interest rate applicable to demand deposits and terms of less than one month is capped at 0.5% from 0.8% per annum. The maximum interest rate applicable to deposits of 1-6 months is reduced from 5% per annum to 4.75% and from 5.5% to 5.25% at people's credit funds and microfinance institutions. Particularly, the interest rate on deposits of six months or more shall be set by credit institutions, based on market supply and demand.

The SBV has also lowered the rate cap on short-term loans in Vietnamese dong at credit institutions for certain borrowers as per Circular 39/2016/TT-NHNN dated December 30, 2016 to 5.5% per annum from 6.0% and to 6.5% from 7% at people's credit funds and microfinance institutions.

Besides, the interest rate for compulsory reserve deposits in Vietnamese dong is 1% per annum and the rate for compulsory reserve deposits in excess is 0%. The rate for compulsory reserve deposits in foreign currencies is 0% and the rate for excess deposits of compulsory foreign currency reserves is 0.05%.

The dong deposit rate is 1% per annum at the Vietnam Development Bank, the Vietnam Bank for Social Policies, people's credit funds and microfinance institutions.

Since the outbreak of the Covid 19 pandemic, Vietnamese businesses have encountered a series of hardships such as congested products, standstill manufacturing, unsold exports or input shortages. Cash flows are inadequate and loans are not revocable to pay off bank loans. This has led to unpayable debts becoming bad debts. Being unable to borrow money to keep up production, they will have to fire workers and shut down operations.

The rapid involvement of the banking sector comes at the right time. At the beginning of February, credit institutions urgently reviewed their borrower status to work out action plans and scenarios to clear hardships against borrowers. By early



☞ March 2020, they supported over 44,000 borrowers with a total outstanding loan of VND222 trillion (nearly US\$10 billion) with such measures as rescheduling repayment terms, lowering existing lending interests, reducing rates on new loans, exempting fees, deploying credit programs and products to support businesses and people to deal with their damage.

Some banks have also visited businesses to study and assess the impacts of Covid-19 on their operations to discuss timely solutions to difficulties, such as debt rescheduling or debt restructuring in accordance with SBV policies.

To this effect, active lenders include Agribank, Vietcombank, VietinBank, BIDV, Sacombank, TPBank, VPBank, Nam A Bank, ACB, Techcombank, OCB, MB, SCB, Viet Capital Bank, Kien Long Bank, Eximbank, PVCombank, CoopBank, Shinhanbank and UOB.

In addition, nearly 30 commercial banks have joined the National Payment Corporation (Napas) to launch remittance fee reduction and exemption programs to share responsibility with the community and customers, and promote cashless payment.

Mr. Nguyen Quoc Hung, Head of the SBV Department of Credit for Economic Sectors, said, as of March 6, banks registered a total of VND285 trillion (over US\$12 billion) to

launch preferential credit packages for customers and businesses adversely affected by Covid-19. Particularly, some banks registered to lend VND50 trillion, VND70 trillion or even more than VND100 trillion. Banks will use measures to reduce their costs to further support businesses and reduce interest rates by 0.5-1%. The lending fund will be balanced with their own sources rather than the State budget.

However, according to Mr. Hung, the figure of VND285 trillion is the registered figure by banks. It is also important to monitor how much the economy can absorb, because it is still hard to access loans at this time.

In addition to support measures for businesses, some banks also finance the latter's actions against the acute respiratory pandemic. Recently, in response to the appeal of the Presidium of the Central Committee of the Vietnam Fatherland Front (VFF) for public support for the fight against Covid-19 and support for people hit by drought and saltwater intrusion, 14 banks donated funds. Each of the following 10 banks - BIDV, Vietcombank, VietinBank, Agribank, MB, Techcombank, HDBank, VPBank, Sacombank and MSB - donated VND10 billion. Four banks - SeABank, ACB, Bac A Bank and TPBank - individually donated VND5 billion. ■

RATE CUT

Opportunity for High-dividend Stocks



The stock market has witnessed a period of strong selloffs, making dividend yield more attractive than deposits placed at banks.

Specifically, the SBV issued Decision 419/QĐ-NHNN dated March 16, 2020 on lowering the regulatory rates, including refinancing rate, discount rate, overnight lending rate, and deposit rate. In particular, deposit interest rates were lowered to 0.5% per annum from 0.8% for deposits of less than one month and to 4.75% from 5% for deposits from one to less than six months. The rate on deposits of six months or longer are fixed by market supply and demand.

Given recent selloff movements, the sharp drop of stock prices is making dividend yield increasingly attractive to investors.

For example, Becamex Infrastructure Development Joint Stock Company (IJC) is mainly engaged in real estate business and operation of National Highway 13 BOT project from Ho Chi Minh City to Binh Duong. Thanks to stable vehicle flows, its working cash flow was always positive, recorded VND118.2 billion in 2016, VND1,475.9 billion in 2017, VND469.6 billion in 2018 and VND1,051.9 billion in 2019. Its BOT business created a stable cash flow and its real estate projects gave extraordinary profits. With its stable business performance, IJC paid a regular dividend to its investors. Its cash dividend rate was 10% in 2017,

12% in 2018 and expected at least 12% in 2019. According to its financial statements, in 2019, IJC recorded VND1,599.4 billion of revenue and VND284.4 billion of profit, respectively fulfilling 165% and 123% of the year plan. Given its strong performance, a dividend payment for the fiscal year of 2019 is almost certain. Currently, IJC is being traded at VND9,990 per share. By comparison, its dividend will be more attractive than bank deposits.

Similarly, Danang Housing Investment Development Joint Stock Company (NDN), a real estate company, focuses on every project. Thanks to good sales and prepared handover of the Monarchy Block B Complex Project, the company reported to have an accumulated cash of VND1,084.7 billion, accounting for 49.6% of its total assets.

With its cash accumulated from the business process, especially customers' deposits for Monarchy Block B Project, NDN paid appealing dividends in many years. Specifically, the cash dividend yield was 16% in 2018 and expected 16% in 2019.

NDN stock is currently traded at VND13,500. Comparing its cash dividend and actual cash amount, the dividend payment plan can be made regular.

Another case is PetroVietnam Power Nhon Trach 2 Joint Stock Company (NT2). Known for gas-fueled power generation, NT2's input is gas and the output is guaranteed for consumption. With its guaranteed output, the operating cash flow is very regular.

The operating cash flow was VND2,092.5 billion in 2016, VND1,785 billion in 2017, VND1,520 billion in 2018 and VND1,917.5 billion in 2019.

With its stable business operations, NT2 has offered fairly attractive cash dividends to investors. The cash dividend rate was 36% in 2016, 30% in 2017, 24% in 2018, and 25% in 2019.

Currently, NT2 is traded at VND17,400. Holding the stock for one is very appealing relative to its dividend rate.

Another example is Dong Phu Rubber Joint Stock Company (DPR), engaged in rubber planting and production.

Thanks to its stable extraction and export, the operating cash flow is stable every year. It recorded VND279.2 billion in 2016, VND313.3 billion in 2017, and VND360.9 billion in 2018.

As a result, its cash amount, accumulated from exports, stood at VND917.5 billion in 2016, VND955.7 billion in 2017, VND1,002 billion in 2018 and VND1,125.2 billion in 2019.

(continued on P.17)

The State Bank of Vietnam's (SBV) decision to lower regulatory rates, especially on short-term deposits of less than six months, has caught the fancy of value investors in high-dividend stocks listed the local bourses.

Some Securities Service Fees Reduced

Service fee adjustments

Given the need for timely policy solutions to support market members and investors to cope with the impact of the Covid-19 pandemic, the State Securities Commission of Vietnam (SSC) consulted with the Hochiminh Stock Exchange (HOSE), the Hanoi Stock Exchange (HNX) and the Vietnam Securities Depository (VSD) to ask for permission to adjust some types of securities service prices. And on March 18, the Ministry of Finance enacted Circular No. 144, making six securities services free of charge and lowering the fees for nine others in a move to help stock investors overcome impacts of the Covid-19 pandemic.

The to-be-free services include registration for listing; securities registration; securities borrowing and lending via the Vietnam Securities Depository (VSD); membership registration for derivatives transaction; registration for clearing participant; and first time online connection.

Meanwhile, nine other securities services would be subject to a reduction from 10 – 50% of the current fees, including a 10% reduction for transaction fees on the stock and derivatives market, securities depository; 15 – 20% reduction for position management fee, management of margin assets on derivatives market; 30 – 50% reduction for management of covered warrants after listing, information registration, stock transfer, auction and competitive offering.

The service price reduction is reasonable and necessary to support the market in the current context and ease investor concerns and consistent with the spirit of Directive 11/CT-TTg dated March 4, 2020 of the Prime Minister on urgent tasks and solutions to remove difficulties in production and business and ensure social security in response to Covid-19.

Limiting administrative interventions

Remarking on the current stock market, Mr. Tran Van Dung, Chairman of the State Securities Commission of Vietnam (SSC) said, in our opinion, monetary and fiscal



solution packages in the United States and other countries are necessary. However, the United States Federal Reserve (Fed) cut interest rates too sharply and declared an emergency situation, not at a regular meeting as scheduled, and this dampened investor sentiment worldwide, including Vietnam. Therefore, global and Vietnamese stock markets may be volatile in the coming days.

The SSC will continue to operate the stock market in view of “Respecting the supply-demand relationship, minimizing impacts and administrative and technical interventions into the market if not really necessary,” he added.

When Vietnam has controlled the pandemic, with Vietnam’s internal economic strengths, we can still pin hopes on positive growth of the Vietnam’s economy in general and the stock market in particular. “Vietnam has a good macro foundation, with advantages in free trade agreements and redirected global investment flows, while the Government always creates conditions for economic development and attracts foreign investment capital. We believe that Vietnam is still a bright spot when the plague is controlled, sooner or later,” added Mr. Dung.

Therefore, in the current context, businesses, intermediary financial institutions and investors essentially continue to firmly believe in internal economic strengths of Vietnam, in solutions adopted by authorities, and in the resilience of Vietnam’s stock market to help the market regain its growth momentum and especially avoid unnecessary selloffs.■

The Ministry of Finance on March 18 enacted Circular No. 144, making six securities services free of charge and lowering the fees for nine others in a move to help stock investors overcome impacts of the Covid-19 pandemic.

Troubleshooting Solutions for Property Businesses



Vietnam National Real Estate Association (VNREA) recently sent a document to the Prime Minister, putting forth their proposals to complete legal policies and remove difficulties against real estate businesses.

HUONG LY

According to VNREA, in the second half of 2019 and early 2020, the real estate market faced numerous hardships and showed signs of sharp decline that affected many other industries. Many giant, well-branded firms faced the risk of bankruptcy, especially when projects lost liquidity and the launch of new projects encountered many difficulties. VNREA’s solutions are about completing policies and laws, removing difficulties against businesses, and focusing on credit and tax issues.

With respect to credit solutions, real estate companies proposed lowering interest rates for investment loan contracts for apartments, tourist villas and condo offices (for example, lowering 50% of interest rates during the pandemic and 30% in one year after the pandemic is controlled); restructuring and rescheduling payment terms for enterprises (for example, rescheduling repayment terms from six months to one year from the date the pandemic is controlled), and introducing a soft loan package for enterprises.

For tax solutions, they want to have the time extended for fulfilling tax obligations to the State Budget for six months for

each payment period until the pandemic is controlled for one year; be exempted from fines for late tax payment in case tax is paid in full; have the time extended for land rent payment until the contagion is controlled, the VAT reduced and tax repayment postponed.

VNREA proposed finalizing legal documents on tourism real estate as per Directive 11/CT-TTG aimed to add shophouse, shoptel and similar products and issue legal regulations on land-use regimes for these types of real estate.

To support social housing funding, according to the Housing Law, the government annually grants 50% of funds to the social policy bank and mobilizes 50% more from various channels to support buyers and lessees of social houses. In addition, four State-controlled commercial banks such as Vietcombank, BIDV, Agribank and Viettinbank are granted interest rate subsidies of 3-4% and the rest mobilize all deposits for lending on their own. However, in fact, in 2019, there was still no source of this funding to support buyers and constructors of social housing. Therefore, many social housing investors such as AZ Thang Long, Hoang Quan, Capitalhouse, Eurowindow Holding could hardly sell their products. Buyers do not get loan support while the demand for social housing is huge. VNREA proposed the Prime Minister increase funding support for low-income people to buy social houses in two channels: Vietnam Bank for Social Policies and State-owned commercial banks.

To have administrative procedures reformed and streamlined to facilitate businesses to carry out their projects quickly, VNREA respectfully requested the Prime Minister to further review procedures to select investors, project investment, construction and management procedures related to investment construction preparation, site clearance compensation, land allocation, project planning appraisal and approval and environmental impact assessment. ■

Four Types of Real Estate Have Room for Growth



epidemic impacts when increased consumption and multi-channel retail distribution of fresh foods will boost consumer demand for cold storage in the coming years.

Besides, automated logistics will grow robustly. Automation in logistics spaces is also expected to increase as suppliers seek solutions to reduce their reliance on human resources and prevent future disruptions due to disease. This will change the way operators set up and build their distribution centers and warehouses.

Flexible offices will be favored

CBRE believes that, with the disease outbreak, the flexible workspace will be tested for feasibility in many markets. In recent weeks, governments and private organizations in Singapore, Hong Kong, Macau and even several cities in China have forced or recommended employees to work from home to minimize infections.

The use of flexible office space will be adjusted to work needs to ensure to limit the fallout of disease spread. At the same time, employees will become more flexible at work and increase adaptability to flexible workspaces after this plague.

Demand increases for environmentally friendly buildings

Tenants will focus more on buildings with environmental and health-friendly features to ensure the ever-growing requirement of employee health. Buildings with sustainable and health-friendly properties, e.g. air quality, ventilation and environmental features inside the building to enhance employee comfort, will be sought for hire in the long run. This is likely to promote the development of LEED and WELL-standard buildings.

Therefore, investors are tending to increase their focus on quality buildings with the above characteristics and, at the same time, add health and sustainability values into their investment strategies to ensure that these buildings follow the long-term investment trend. ■

Niche market demand, such as automated logistics and cold storage, will grow dramatically thanks to Covid-19.

Given short-term negative effects of Covid-19 on the real estate market, CBRE makes predictions about segments that can benefit from this time of epidemic outbreak.

E-commerce has clear growth in revenue

Given the current epidemic development, e-commerce has a clear growth in revenue. If traditional retailers were hesitant or slow to expand into online sales in the past, they look at this matter more seriously now. Even, supermarkets and groceries are selling necessities online.

In China and Singapore, consumers are forced to shift to buy daily necessities online. This will pose more difficulties and challenges for traditional stores that have not yet established and implemented the multi-channel sales system.

Recently, Alibaba Group's Hema, a multi-channel retail chain, temporarily recruited laid off restaurant staff for its growing online orders.

Demand for cold storage will grow dramatically

CBRE defined the e-commerce sector as a driving force for the logistics industry in 2020. However, in the context of an outbreak, the increase in online sales and the acceleration of multi-retail format, adding the supply of warehouses in and around major urban areas is essential to meet the sudden growth in last-mile delivery.

Niche markets in industrial and logistics real estate are also expected to benefit in the long term because of

Rickety Retail Industry in Pandemic Time



Empty retail spaces

The retail industry is one of nine sectors adversely affected by the Covid-19 pandemic, according to a forecast by SSI Securities Corporation.

The food and beverage sector was hit hard in the first months of 2020 by the Covid 19 pandemic and the impact of Decree 100/2019/ND-CP, effective from January 1, 2020, which imposes strict penalties on drivers/riders drinking alcoholic drinks.

A recent survey by Savills found that restaurant sales dropped by up to 50% in February compared to previous months. Many restaurant operators, after considering revenue and operating costs, had to accept business closure and return their business locations to landlords when their contracts expire, while others continue to run their business to keep the space for the coming time or suspend operations or negotiate with landlords to reduce rents.

Educational spaces will be also in difficulty in the coming time. From the beginning of February until now, schools, English and foreign language centers and soft skills centers are closed. If they continue with conventional teaching models and wait for further notice from the Ministry of Education, they will incur substantial financial loss. Taking the YOLA education system as an example, the Ministry of Education's decision to close all schools has exerted a direct impact on more than 10,000 students and 300 teachers. In February, YOLA teachers' earnings were estimated to reduce by 50% because the teaching schedule was canceled.

Essential commodities can help modern retail channels, as their sales are twice as much as durables and luxuries that are expected to be most hurt by the Covid-19 pandemic. Retailers or distributors of durable consumer goods, jewelry, and retail

Many companies are struggling with numerous emerging hardships as revenues dropped since the start of this year.

HUONG LY

real estate may be in trouble if the plague is not under control.

As for retail spaces for rent, townhouses rent in famous culinary neighborhoods in Hanoi and Ho Chi Minh City can hardly find tenants for the time being, mainly because owners usually require complete leasing, in addition to long-term leases of up to 10 years.

Markdown and online approach

Savills experts said that modern retail projects will not increase rents in the coming time while property investors will move to support tenants to continue their business operations and keep the occupancy rate high at their projects.

Typically, Vincom Retail announced support on rents for existing tenants, with the degree depending on the extent of impact on businesses. Other major retail developers are also monitoring the progress of the Covid-19 epidemic and considering supports, primarily rents for tenants. Hung Thinh Group also announced that it will carry out rent preference and support policies for tenants, with a reduction of 20-40%.

For the retail market, coronavirus can accelerate the shift to online shopping. Ms. Vo Thi Khanh Trang, Chief Researcher at Savills Ho Chi Minh City, said, "Online shopping will cause bad outcomes for traditional stores at shopping centers as well as townhouse stores. Rents will vary, based on market conditions. In general, developers/landlords will need to consider short-term supports for tenants."

She suggested that, to attract tenants, landlords offer lower rents, 10-20% lower than in late 2019, or offer flexible spaces rather than a whole-unit hiring earlier. For rented townhouses, many owners have also moved to negotiate rent support for tenants as some landlords accept at least one-month free rent to restaurant tenants or a 30-50% discount on short-term rentals for convenience stores.

Mr. Hoang Tuan Anh, CEO of Vua Nem, said, while offline channels are shrinking, Vua Nem e-commerce indicators are showing no signs of being affected. Specifically, online calls and messages sent to Vuanem.com still rose by 28.88%.

While the retail industry is racing with promotions and online sales, educational institutions have also started to use distance learning options by using zoom, skype and webinar applications to help students keep learning.

The Covid-19 pandemic is forcing retailers to improve their sales models, especially multi-channel retail models, to compete and minimize risks. ■

Vietnam Posts Trade Surplus of US\$1.82 Billion despite Adverse Pandemic Impacts

Vietnam ran a trade surplus of US\$2.36 billion in merchandise trade in the second half of February 2020. This figure reversed Vietnam's trade balance of goods.



The latest preliminary data, released by the General Department of Vietnam Customs, showed that the total value of Vietnamese merchandise import and export in the second half of February 2020 reached US\$20.21 billion, 5% or US\$980 million more than in the first half of February.

Accordingly, the country's import-export value reached US\$76.34 billion in the first two months, up 5.6% or US\$4.07 billion more than the same period of 2019.

Trade surplus was US\$2.36 billion in the second half of February, bringing Vietnam's trade surplus of goods to US\$1.82 billion in the first two months of 2020.

In particular, foreign direct investment (FDI) companies fetched US\$48.08 billion, up 4% or US\$1.86 billion, and domestic companies reported to bring home US\$28.26 billion, up 8.5% or US\$2.2 billion compared to the same period in 2019.

Notably, only in the second period of February 2020, the trade surplus of merchandise was US\$2.36 billion. This figure reversed Vietnam's trade balance to a surplus in the first two months of this year.

The merchandise trade landscape of Vietnam in the first two months of the year was very different from the previous estimates of the General Statistics Office.

Meanwhile, according to the GSO's estimate announced at the end of February, the country's trade surplus was at US\$100

million in February, narrowing the trade deficit to US\$176 million in the first two months of 2020. Of the sum, the domestic economic sector took a deficit of US\$3.94 billion while the FDI sector enjoyed a surplus of US\$3.76 billion, including crude oil.

But according to the official figures released by the General Department of Vietnam Customs (GDC), the trade balance was in surplus, amounting at US\$1.82 billion.

Also according to data released by the GDC, Vietnam's export value was US\$11.28 billion in the second half of February, an increase of 17.5% compared to the first 15 days of February.

Specifically, the export value of telephones and components rose by US\$449 million (or 20.3%); textiles and garments by US\$293 million (30.2%); wood and wooden products by US\$141 million (nearly 47%).

Computers, electronic products and components increased by US\$75 million (5.6%); machinery, equipment, tools and

parts by US\$74 million (9.4%); aquatic products by US\$59 million (27%); and footwear by US\$55 million (8.4%).

Thus, by the end of February 2020, Vietnam's export value totaled US\$39.08 billion, representing a year on year growth of 8.4%.

Meanwhile, the total import value of Vietnam was US\$8.93 billion, down 7.3% from the first 15 days of February 2020.

In the first two months, the Covid-19 pandemic was developing quickly, disrupting world and domestic economies, including import and export activities. However, data from the GDC showed that some exports still fared very well during this period.

Among 45 major exports counted by the GDC and released periodically, by growth rate, best performers (growing by double or triple digits) included coal, cassava, paper; precious stones, precious metals, wooden furniture, electric wires and cables, toys and sports equipment, in the reviewed period.

Typically, coal shipment reached nearly 139,000 tons worth over US\$19 million, an increase of 349.3% in volume and 358.6% in value over the same period of last year. Cassava product shipment rose more than 157,000 tons worth nearly US\$33 million, up 68.9% in volume and 109.4% in value.

By value, computers, electronic products, telephones and components led Vietnam's exports. ■

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Logistics Revenue Down 50% due to COVID-19



Accordingly, about 15% of logistics businesses estimate a decrease in revenue by 50% compared to 2019; more than 50% estimate that the number of logistics services (domestic and international) will decrease by 10% - 30% compared to 2019. The reason is that many factories have to stop operating so the amount of goods needed to be circulated is also small. In addition, import and export revenue from pandemic-hit countries such as China, Korea, Japan and Singapore also has decreased significantly.

Currently, there is a reduction in all types of transportation by ship and air, so goods imported to Vietnam sharply decrease. As a result, freight rates have risen, causing many difficulties for logistics enterprises.

Vietnam's container ships mainly operate on short routes in Southeast Asia and Northeast Asia, in which the volume

and revenue related to the Chinese market account for a significant proportion. As a result, shipping companies' revenue is likely to decline in the first quarter of 2020 when transport volume is expected to decline sharply.

Similar to sea transport, many Vietnamese ports also have a relatively high degree of dependence on imports and exports related to China and Hong Kong (China), because this is the largest hub area of the world.

For example, in Hai Phong, Rong Viet Securities (VDSC) estimates that the number of ships coming from the two markets mentioned above to the ports here accounts for 40-45% of the total number of international ships. With the operation of ports and factories in China stagnant due to the lack of workers, along with longer loading and unloading time due to the ships under strict inspection from China, major global shipping lines have to cut production due to eliminating Chinese ports in the journey, leading to a reduction in loading and unloading capacity in Vietnamese ports. In particular, VDSC estimates container throughput of Hai Phong ports could be reduced by 10-15% in the first two months.

On the air route, airlines all cancel routes to China, Korea, Hong Kong and minimize flights from the pandemic area, resulting in rising freight rates.

According to the General Department of Customs, the value of Vietnam's imports from China has decreased by 7% in the first two months of 2020. In addition, because most of these are raw materials that are imported for processing for export, so if the disease situation lasts long, Vietnam's export output to other markets will be affected, reducing logistics needs.

Facing the difficult situation, businesses in the VLA proposed that the Government reduce corporate income tax by 50% for 2020, to support businesses in overcoming difficulties of 2020. The Government also considers postponing and reducing social insurance fund contributions; unemployment insurance; health insurance from affected businesses.

VLA recommends that the Government work with shipping lines to reduce the price of freight services, reduce port service fees to down the cost of transporting goods to support manufacturing businesses and logistics business. In particular, we should control freight rates to avoid major increases, in which Low Sulphur Surcharge (LSS) increases quarterly, but now shipping lines apply it monthly. For those engaged in cold storage, it is necessary to be given preferential prices for electricity because the current price for cold storage is 25-30% higher than the price of electricity produced.

(continued on P.28)

About 15% of logistics providers in Vietnam estimate a 50% reduction in revenue due to the Covid-19 pandemic. This is the survey data of Vietnam Logistics Business Association (VLA) on the effects of Covid-19 on the business situation of logistics enterprises.

Covid 19 Likely to Reduce Global GDP by 0.1-0.4%



According to the Asian Development Bank (ADB), the magnitude of the economic losses will depend on how the outbreak evolves, which remains highly uncertain. The range of scenarios explored in the analysis suggests a global impact in the range of US\$77 billion to US\$347 billion, or 0.1% to 0.4% of global gross domestic product (GDP).

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Loss in all channels

The ongoing Covid-19 outbreak will have a significant impact on developing Asian economies through numerous channels, including sharp declines in domestic demand, lower tourism and business travel, trade and production linkages, supply disruptions, and health effects.

The magnitude of the economic losses will depend on how the outbreak evolves, which remains highly uncertain. In a moderate scenario, where precautionary behaviors and restrictions such as travel bans start easing three months after the outbreak intensified and restrictions were imposed in late January, global losses could reach US\$156 billion, or 0.2% of global GDP. China would account for US\$103 billion of those losses - or 0.8% of its GDP. The rest of developing Asia would lose US\$22 billion, or 0.2% of its GDP.

ADB Chief Economist Yasuyuki Sawada said, “There are many uncertainties about Covid-19, including its economic impact. This requires the use of multiple scenarios to provide a clearer picture of potential losses.”

The ADB analysis report presents full details on the scenarios considered. It also presents estimated impacts on individual developing Asian economies - and on sectors within these economies - including under a hypothetical “worst case” scenario for a given economy in the event of a significant outbreak. These should not be interpreted as predictions that an outbreak will occur but are meant to provide guidance for governments as they consider appropriate responses.

ADB’s response to Covid-19 to date includes US\$2 million announced on February 7 to enhance detection, prevention, and response in China and the Greater Mekong Subregion. Another US\$2 million announced on February 26 to support response in all its developing members. A CNY130 million (US\$18.6 million) private sector loan, signed on February 25, to Wuhan, China-based pharmaceutical distributor Jointown Pharmaceutical Group Co. Ltd. to support the continued supply of essential medicines and personal protective equipment.

ADB stands ready to provide further support to its developing members in their efforts to respond to the adverse impact of Covid-19. ADB will use appropriate means to address the identified needs including through existing and new financial assistance, emergency assistance lending, policy-based lending, private sector investment, and knowledge and technical assistance.

Serious impact on Vietnam's economy

According to economists, the Covid-19 epidemic has a very

Estimated global and regional impact of Covid-19, under different scenarios

	Best case		Moderate case		Worse case	
	As % of GDP	Losses in \$ billions	As % of GDP	Losses in \$ billions	As % of GDP	Losses in \$ billions
World	−0.1	\$77	−0.2	\$156	−0.4	\$347
China	−0.3	\$44	−0.8	\$103	−1.7	\$234
Developing Asia excluding China	0.2	\$16	0.2	\$22	0.5	\$42
Rest of the World	0.0	\$17	0.0	\$31	0.0	\$68
Source: ADB staff estimates						

serious impact on the Vietnamese economy. The epidemic has had a multidimensional impact on all sectors of the economy, with three main effects on growth, investment and trade; important value chain disruptions; and a decline in consumption that causes an enormous impact on services and tourism.

A report by the General Statistics Office (GSO) on socioeconomic performance in February and the first two months of 2020 showed many signs of negative effects on economic growth, macroeconomic stability. Many indexes decreased from a year-ago period.

In particular, disbursed foreign direct investment (FDI) decreased by 5%; fresh and additional FDI fund and foreign share-purchase fund sank by 23.6% from the same period in 2019. Total retail sales of consumer goods and services grew by 8.3 % (compared with a 9.3% growth a year ago). Passenger carriage expanded by 3.8% (versus 10.2% in the same period of 2019).

International visitor arrivals climbed 4.8%, the lowest growth in the January-February period in 2016-2020. The consumer price index (CPI) in February and in the January-February period jumped 5.4% and 5.91%, respectively, the highest in seven years.

Some agricultural sectors faced many difficulties due to price changes and weather. The service sector is the worst affected by the Covid-19 epidemic, especially tourism, transportation, accommodation and restaurant.

The Covid-19 epidemic has exerted a pretty negative impact on industrial production. The index of industrial production went up 6.2% year on year in the first two months of 2020, much lower than the growth of 13.7% and 9.2% in the same period in 2018 and 2019, respectively.

In addition, February had a weeklong Lunar New Year and was affected by the Covid-19 epidemic. Some contractors were slow to deploy construction. And, like previous years, they mainly continued to carry out projects launched in previous years rather than kick off new ones. Hence, the State budget investment expenditure was as low as 8.3% in the first two months. Besides, realized FDI value was estimated at US\$2.5 billion from January to February, down 5% year on year, the first decline in 2016-2020.

According to many experts, Vietnam's economic growth in the coming time depends heavily on how the Covid-19 epidemic evolves and how Vietnam copes with the disease.■

Natural Selection of F&B Businesses amid Covid-19



According to the statistics of Dcorp R-Keeper Vietnam, the country has 540,000 restaurants, including 430,000 small eateries, 7,000 fast-food restaurants, 22,000 cafeterias and bars and over 80,000 well-invested chain-based restaurants.

According to data from Statista, F&B service revenue reached US\$ 200 billion in Vietnam in 2019, representing a growth of 34.3% over 2018. By 2023, the value is expected to top US\$408 billion. Therefore, F&B will continue to be attractive for private investors.

However, the F&B market in Vietnam already showed signs of deceleration. Further hit by the complicated evolution of the Covid-19 epidemic, many individuals, brasseries and even F&B chains must temporarily close, return premises to owners and transfer their facilities.

Gloom business because of Covid-19

Golden Gate, a big F&B company in Vietnam, is considering closures of some facilities owing to bad impacts of the Covid-19 epidemic.

Mr. Hoang Quoc Khanh, Managing Director of Golden Gate, said that the company's input sources are slightly affected because it had already diversified import markets previously. However, Covid-19 is causing a direct huge impact on all industries, especially the catering industry. "Revenue of F&B chains such as GoGi House and Kichi-Kichi have plummeted," he said.

Although their internal strength is stronger than small F&B facilities, many large-scale F&B chains in Vietnam are showing signs of decline due to the negative impacts of Covid-19 pandemic.

In Hanoi, Golden Gate has temporarily closed some facilities in commercial centers, and may re-open during weekends if things get better. "We close our facilities because of so few customers. We do not shut any facility in the south. We are still keeping an open watch on business situations," said the Golden Gate representative.

Golden Gate-affiliated brands are starting to close some business locations. On its fanpage, the Gogi House chain recently announced suspending some business locations in Hanoi from March 11, 2020 until further notice. Gogi House closures in Hanoi include Gogi House in Ham Nghi, Tran Van Lai, Van Phuc, Pho Duc Chinh and Nguyen Van Loc.

Similarly, Kichi-Kichi brand also announced closure of seven restaurants closed all day, and reducing three others to the evening only (17:00 - 22:00), of 22 restaurants in Hanoi. This new operation schedule at Kichi-Kichi is in effect from March 11 to March 31, 2020.

The global economy is showing signs of decline. If the Covid-19 epidemic does not end soon or there is no effective cure in the next 1-2 months, small F&B businesses will be in even greater difficulty. The accumulated surplus value of these businesses may not be available any longer and they will have to start over again. However, everything will be alright if they have good employees," said Mr. Ha Thuc Tu, Director of the Southern Branch of Golden Gate Group.

Sharing on his personal Facebook page, Mr. Mai Truong Giang, owner of two F&B brands, Otoke Chicken and Chewy Junior Vietnam (mainly active in Ho Chi Minh City), said that he has decided to close his loss-making unsavable restaurants.

"Eventually, I have to close loss-making restaurants. I am indescribably sad. Hopefully, everything will pass quickly," he shared on his personal Facebook page.

Otoke Chicken fried chicken brand has about 15 business locations, mainly in Ho Chi Minh City while the Chewy Junior fresh cream cake brand has about 25 shops across

the country.

Often, Otoke Chicken restaurants typically have larger spaces while Chewy Junior shops are small, mainly for takeaways. Therefore, owner Mai Truong Giang chose to close some Otoke Chicken restaurants first as Vietnamese consumer demand was declining.

F&B businesses and services will suffer huge losses in the next six months. After Hanoi has new [Covid-19] infections, you will see a lot of business facilities closed or empty restaurants along the street.

F&B delivery service is helping businesses earn money but it is not profitable enough to save cash flows in this epidemic time. What solution is needed to overcome the crisis if it lasts for six more months, everybody?" he asked in his previous posts.

The battle confronted by the F&B industry will become fiercer during the epidemic season. Big firms can live through this epidemic season and they will have to work hard to earn money from the beginning. A second wave of startups will take place after 10 years of exciting growth.

Pivotal policy to get through the epidemic outbreak

The closure of a series of F&B retail chains due to the Covid-19 epidemic is showing that consumer trends are changing.

As judged by some Vietnamese market researchers, the current F&B trend is eating at home. Consumers want to spend time at home to ensure safety against the disease, communicate online and work from home.

To survive the epidemic season, F&B chains have to deal with the "home-service" approach instead of attracting customers to their business facilities.

Typically, the Hotpot Story brand of Red Sun, which is famous for the hotpot buffet at shopping centers, is now providing door-to-door delivery service. To stimulate consumer demand, Hotpot Story also offers discounts for VNPAY-based payment, lends hot pots, stoves and ladles, and delivers drinks.

Similarly, Golden Gate also applies home delivery service, served by Kichi-Kichi, Gogi Grills, Manwah Hot Pot and Hutong Hot Pot.

In fact, the home grilled hotpot has long been popular in Vietnam. A typical example of this trend is the introduction of fast-growing food delivery services such as GrabFood, Go-Food and Loship. As busy lifestyles become commonplace for consumers, meals delivered to homes and workplaces become the basic service of the catering industry.

Especially in the short term, fewer customers are going to restaurants. This can be considered a solution to save F&B chains at this time.

Under the current difficult circumstance, franchise expert Nguyen Phi Van noted that businesses need to take a step back to build a foundation, one step back for three forward steps after the plague.

This is the best time for businesses to reorganize, build and perfect the foundation that has not been done before.

This is particularly important when there is a need for changing or adjusting product profiles. When on-premise products and services are in trouble because consumers do not purchase and use products and services on premise, they need to create products and services that can be served at home.

"This change is not too big. It is how to change products from on-premise to in-home," Van noted.

This is also like changing sales channels to online. Many small and medium-sized F&B companies largely earn money from the offline channel while online sales account for a small share.

In the meantime, the Covid-19 pandemic is changing Vietnamese buyer behaviors and F&B businesses must adapt to this change, and focus on promoting online channels to make money to survive.■

K.H

(from P.07)

The company paid a dividend rate of 50% in 2016, 40% in 2017, 50% in 2018 and at least 50% in 2019.

According to its financial statements, in 2019, the firm recorded VND247.4 billion of profit before tax, fulfilling 108% of the yearly plan. With a year-end cash amount of VND1,125.2 billion, accounting for 30% of its total assets, the company is able to pay dividends as planned.

DPR is currently traded at a price of VND35,600 per share. Compared to a one-year stock holding, the dividend yield of DPR is relatively attractive.

On the stock exchange, some companies recently revealed their dividend payment plans. LDG Investment Joint Stock Company (LDG) announced a 7% cash dividend for 2019. Currently, LDG is traded at VND6,200.

Hoang Huy Investment Services Joint Stock Company (HHS), which is traded at VND3,730 per share, also planned to pay a 4% cash dividend.

Bamboo Capital Joint Stock Company (BCG) also planned to pay a dividend of 20%, including 10% in cash and 10% in stock. The stock is currently traded at VND5,600.

Ba Ria - Vung Tau House Development Joint Stock Company (HDC) planned a dividend rate of 15%, either in cash or in stock. If the company decided to pay in cash at its Annual General Meeting of Shareholders, the price of VND14,650 per share is also quite attractive.

On the stock market, many companies are offering higher dividend rates than deposit rates quoted by banks. If interest rates keep declining in line with the global trend, it is likely that high-dividend stocks will soon be grasped by investors.

The recent strong slump of the stock market made dividend more seductive to investors. If investors look at the long-term trend, this is a golden time for value investors.

Techcombank reduced deposit rates by 0.3% for 6-12-month terms and to 6.1% per annum for the one-year term.

Sacombank lowered the interest rates of deposits of 1-2 months from 4.9-4.95% per annum to 4.6-4.8%. SHB Bank also slashed interest rates on deposits of 1-3 months from 5% to 4.6-4.8% per year.

Many other banks are also taking similar actions to lower lending rates to support businesses as guided by the Government.■

Biggest Opportunity Is Now Digital Transformation

Currently, the Covid-19 pandemic spreads from human to human around the globe. In this context, the country must strive to effectively perform the task of preventing the pandemic and keeping a stable production pace.



To stay safe and sound at the workplace, technology is one effective measure to minimize the spread of the virus. Therefore, the biggest opportunity is now to accelerate digital transformation, to create digital applications, and to bring all business activities to the digital environment.

Challenges coupled with opportunities

According to Nguyen Manh Hung, Minister of Information and Communications, the Covid-19 pandemic poses a major challenge as many activities will be halted. But everything has two faces; challenges are coupled with opportunities. Certain opportunities only appear when challenges appear too. Covid-19 helps us rethink many things. It is a disruption in development. Many values and

many habits will change.

Digital transformation enables changes at work, automation and everything in the digital environment. This is an opportunity, because normally Vietnam is very slow at digital transformation. The Ministry of Information and Communications submitted the National Digital Transformation Program. After the Prime Minister signs on it for promulgation, the ministry will declare and launch nationwide deployment.

To accelerate digital transformation, the Government and regulatory agencies will review and quickly decide on a number of policies still under consideration, such as cashless payment and mobile money, recognize and certify online education, ban import of absolute 2G technologies, promote production of low-cost smartphones, invest in e-government towards digital government, and ensure

network safety and security.

The Government determined to build an e-government to realize the goal of forming an administration of development enabling, integrity, action and popularity. This is a tool for State agencies to improve service quality, making an important contribution to preventing harassment in the process of receiving and settling administrative procedures for the community.

Earlier, in just one month, online public services indices recorded a double growth in receipts. The Ministry of Information and Communications issued a document requiring ministries, branches and localities to get ready to receive online documents and ensure the target of carrying out 30% of Level 4 public services online by the end of 2020.

Creating institutions to boost domestic economy

Some economists suggested the concept of “home economics”. Perhaps, this is not a really new concept. But the Covid-19 pandemic has given home economics a new launch pad for it to come to real life, even when the pandemic is over.

Many previous economic activities were still limited by user habits, but the circumstances of the Covid-19 pandemic have been and will be breaking those habits.

During the Fourth Industrial Revolution, modes of economic activity changed drastically. Although the home-grown economy will not completely replace the traditional economy, if it is promoted to the fullest, it will help society operate more optimally and reduce stresses like traffic, energy consumption and travel time.

For example, while traditional education emphasizes a community element, the current period provides an opportunity for digital education to show its advantages. These are not just lectures that are delivered via online video, but the latest technologies such as virtual reality and augmented reality making lessons more vivid and interesting.

In the medical field, the Covid-19 pandemic has helped reveal a lot of advantages of remote examination, which helps to filter and reduce pressure on hospitals and also reduce the possibility of cross-infection among patients.

From another perspective, the Covid-19 pandemic caused a crisis not only in terms of health but also economic crisis for some businesses. As a result, unemployment will increase. So, we also need to immediately think of a digital platform that helps these people quickly gain new skills and rejoin the labor market.

Hence, Minister Hung called on Vietnamese digital business community to be creative and provide many more online services, from education and healthcare to shopping and entertainment.

Success often comes in the middle of crisis. And, this is a rare opportunity for digital businesses.

This is also the way digital businesses can limit the fallout of the Covid-19 pandemic. ■

M.L

In fact, the world is now unpredictable, turbulence almost becomes a new normal state.

We will have to face many crises like this and we have to learn how to increase resistance, toughness, creativity, adaptability and resilience in the quickest manner.

And, only digital technology solves problems quickly, responds quickly, adapts quickly, and innovates quickly.

It is at this time that the government, businesses and society should invest more and more in digital technology.

Minister of Information and Communications Nguyen Manh Hung

Promoting Solar Power Potential in Vietnam



Vietnam has huge potential for developing solar energy systems, especially in the South and Southern Central regions. Commercial solar power projects are attracting economic resources, but its potential is not tapped on the lack of grid infrastructure.

QUYNH CHI

The levelized cost of energy (LCOE) for solar power in Vietnam decreased by 106% in the past four years and the supply of projects and investments is greater than the demand to meet the national target for solar power. According to the Power Master Plan, the expected capacity for solar power is 850 MW in 2020, 4,000 MW in 2025 and 12,000 MW in 2030.

In fact, after Decision 11/2017/QĐ-TTg on investment incentive mechanism for solar power development was issued, as many as 135 projects with a total capacity of 8,935 MW were added to the power development plan. Under this decision, the feed-in tariff is about VND2,100 per kWh of electricity in 20 years for projects operating before July 2019.

By the end of June 2019, nearly 4,500 MW of solar power facilities were put into commercial operation and helped ensure electricity supply for socioeconomic development and daily public needs.

Solar energy accounts for 8.28% of the installed capacity of Vietnam's electricity system. However, many licenses are granted to companies that lack experience in building power plants in Vietnam, have limited financial resources, exert significantly negative impacts on land use and reduce transmission grid safety.

According to IRENA's 2019 report on accelerating renewable energy in Vietnam: Perspective of the electricity sector on key challenges and opportunities," Vietnam needs to mobilize nearly US\$10 billion of investment capital every year from now to 2030 to accomplish objectives set out in the current electricity development plan. In terms of renewable energy, including hydroelectricity, Vietnam's annual investment is only US\$290 million a year on average since 2012, much lower than the need.

On April 11, 2019, the Ministry of Industry and Trade announced the third draft of the Prime Minister's Decision on mechanisms to encourage solar energy development in Vietnam, effective from July 1, 2019. Unlike previous feed-in tariffs for all solar power projects, the Ministry of Industry and Trade proposed different tariffs for regions based on local solar radiation potential. Region 1 includes 28 northern provinces with low solar radiation potential; Region 2 consists of six central provinces with medium potential; Region 3, stretching over 23 provinces in the Central Highlands and the South, has high solar radiation potential; and Region 4, including six provinces in the South Central region, has very high solar radiation potential.

Solar power feed-in tariffs also vary, depending on installation models: floating solar power, ground solar power and rooftop solar power, effective for projects with commercial operation dates (COD) from July 1, 2019 to December 31, 2021. The feed-in tariff is applied in 20 years from the date of commercial operation. Solar power projects with integrated storage systems apply their own regulations and estimate higher feed-in tariffs than the grid-connected solar power.

The tax rate may be even lower, averaging approximately 7.5 US cents if the solar power FIT agreement model is amended to eliminate risks of capital recovery for solar investors, for example terms of price cuts and termination. When risks are reduced, financial institutions - banks and fund managers - will possibly offer lower interest rates, meaning lower electricity production costs. Moreover, as the market develops, tax incentives may be replaced by competitive bidding.

On September 19, 2019, the Ministry of Industry and Trade submitted a new feed-in tariff (FIT) to the Prime

Minister while keeping source differences and eliminating local differences. According to the Electricity and Energy Working Group - Vietnam Business Forum, this flat FIT has been criticized by both energy experts and investors, especially those who are developing projects in areas with lower solar radiation intensity.

Mr. Tran Viet Ngai, Chairman of the Vietnam Energy Association, said, the previous tax policy led to the concentration of grid-connected solar power projects in places where radiation intensity is high, causing local overload and affecting power supply safety. Feed-in tariffs should be changed by region instead of a universal rate applied to the whole country, he said. This will avoid the future imbalance of solar sources, given unevenly distributed solar energy projects. "Therefore, a general FIT should not be applied to solar energy," he added.

Most recently, the Ministry of Industry and Trade completed a draft decision based on Government Office Notice 402/TB-VPCP dated November 22, 2019 (notice of Prime Minister Nguyen Xuan Phuc's conclusions on draft mechanism to encourage solar power development in Vietnam from July 1, 2019 at the cabinet regular meeting). Accordingly, as for grid-connected solar power, grid-connected solar power projects signed power purchase and sale contracts, conducted construction before November 23, 2019 and started commercial operation from July 1, 2019 to December 31, 2020, they will be applied at feed-in tariff specified in the Appendix of this Decision.

According to Vietnam Electricity Group, by the end of November 2019, there were 19,378 rooftop solar PV systems installed nationwide, with a total capacity of 318 MW, mainly located in the southern region (73% of total systems). In order to ensure the application of a sustainable and practicable rooftop solar power development mechanism, the encouraged tariff should be more reasonable to reduce retail price hike pressures. For that reason, the Ministry of Industry and Trade proposed taking the tariff in Region III where the surcharge load is 8.38 US cents per kWh (similar to grid-connected solar power quoted at 7.09 US cent per kWh).

According to the feed-in tariff annex, FIT at floating solar power projects is VND1,758 (7.69 US cents) per kWh, at ground solar PV projects is VND1,620 (7.09 US cents) per kWh, and at rooftop solar power projects is VND1,916 (8.3 US cents) per kWh.

Vietnam needs to focus on creating direct sales contracts for solar energy that can be traded. However, given the current view of focusing on FIT as a means of encouraging and directing investment, regional FIT provides a better policy tool. Moreover, since many speculative projects are not allocated project land, auctions can become an effective means of establishing renewable energy purchasing prices. ■

Urging Disbursement for Trung Luong - My Thuan Expressway



and traffic accidents on this route; organize and coordinate with relevant agencies in proposing the transformation of investment forms for My Thuan - Can Tho expressway project and applying the form of contractor appointment strictly according to Directive 11/CT-TTg of the Prime Minister on urgent tasks and solutions to remove difficulties for production and business, and ensure social security in response to Covid-19.

Normal flow guaranteed

At the same time, speeding up the construction of My Thuan 2 Bridge is required to ensure the synchronous traffic schedule with Trung Luong - My Thuan expressway project, thus promoting investment efficiency.

Earlier, talking to the press, Mr. Vo Van Tuoi, Deputy Director of Tien Giang Department of Natural Resources and Environment, said that in order to facilitate the construction, accelerate the implementation and completion of the Trung Luong - My Thuan expressway to put it into service and contribute to socio-economic development in the Mekong Delta region, Tien Giang province was actively clearing ground and handing over clean land to project enterprises.

Accordingly, up to now, the locality has handed over 50.77 km of the total route length of 51.1 km, reaching 99.34%. Currently, only 330m of roads in Cai Be and Cai Lay have not been handed over.

The total number of households affected by the project to be compensated, cleared and relocated is 3,292 households in districts of Tan Phuoc, Chau Thanh, Cai Lay town. Up to now, through propaganda and campaigning, 3,096 households have agreed to receive compensation to leave and relocate their homes. Currently, only 196 households have not received the compensation.

Similarly, representatives of the Management Board of Civil and Industrial Construction Investment Projects under the People's Committee of Tien Giang Province, said, Tien Giang Provincial People's Committee was directing the relevant industries, various levels of authorities and localities to strengthen propaganda and mobilize households to receive compensation money and definitively settle outstanding cases in order to hand over clean land for construction and putting works to use as committed. ■

H.L

The Trung Luong - My Thuan expressway project has a length of 51.1 km through Tien Giang province with a total investment of VND9,669 billion. In particular, the sub-project of ground clearance is VND1,689 billion. Tien Giang province and the project developers and related units are working hard to accelerate the work to open it for traffic in 2021 as directed by the Government.

The Government Office of Vietnam has recently announced the conclusion of Prime Minister Nguyen Xuan Phuc requesting Tien Giang Provincial People's Committee to promptly disburse the remaining state budget capital for the Trung Luong - My Thuan expressway project.

Accordingly, the Prime Minister asked Tien Giang Provincial People's Committee to disburse the remaining state budget funds in time for this project to keep pace and clear the route this year.

Capital urgently needed

The project is slated to be completed in 2021, meeting quality in accordance with the law. In addition, the Prime Minister also asked the People's Committee of Tien Giang province to be responsible for removing obstacles due to salinity prevention, affecting roads transporting construction materials; take priority measures to ensure the source of materials to serve the project construction. The investor is responsible for managing and using the State budget capital efficiently and for the right purpose.

The Ministry of Transport is requested to urgently establish and implement the plan to collect tolls from the Ho Chi Minh City - Trung Luong expressway under the direction of the Prime Minister in Document 9311/VPCP-CN on October 11, 2019, to overcome congestion

Bac Giang Litchi Widens Access to Japan



To date, Bac Giang province has 77 hectares of lychee in Luc Ngan district granted planting area codes for export to Japan. Certified litchi gardens must meet standards such as clean and contiguous monoculture garden. After obtaining area codes, businesses will survey and cooperate with growers to grow litchi.

Earlier, in Luc Ngan, more than 200 hectares of litchi was granted an area code for export to the United States.

Currently, litchi destined for export is flowering. For high-yielding crops, the Bac Giang Department of Agriculture and Rural Development recommended growers to focus on monitoring and trim branches infected with pests to concentrate nutrition to flowers, fertilize, keep moisture and use micro fertilizers.

In 2020, for the first time, Japan approved litchi import from Vietnam. This is a great opportunity for Vietnamese litchi in general and Bac Giang in particular.

To ensure exports to the Japanese market, Luc Ngan district reviewed 18 codes of planting areas of 218 hectares eligible for export to the US market, and 40 hectares of litchi certified to meet GlobalGAP standards in 2019 in the communes

The Japanese plant quarantine authority recently granted a planting area code for additional 27 hectares of litchi in Luc Ngan district (Bac Giang province) for export to Japan.

of Thanh Hai, Hong Giang, Quy Son, Giap Son and some other regions.

Currently, two exporters, Chanh Thu Fruit Import Export Co., Ltd of Ben Tre province and AMEII Vietnam Joint Stock Company directly worked with gardeners in Luc Ngan to survey and buy litchi for export to Japan. A representative of AMEII Vietnam (headquartered at No. 1, Alley 43, Kim Dong Street, Hoang Mai District, Hanoi City) said that AMEII Vietnam will buy and export about 50 tons of Luc Ngan litchi to Japan this year.

In 2019, Bac Giang produced a record of over 147,000 tons of harvested litchi, valued at over VND6,300 billion, the highest ever, an increase of more than VND500 billion from a year ago.

Notably, 2019 was the first year Luc Ngan district had an organic litchi product grown in 20 ha. Mr. Cao Van Hoan, Vice Chairman of Luc Ngan District People's Committee, said, "Organic litchi orchards are monitored with surveillance cameras, tending diaries are electronic diaries to ensure right planting and tending according to safety standards. We are very confident that Luc Ngan litchi can win over Japanese consumers."

The Bac Giang Department of Agriculture and Rural Development forecast that Luc Ngan litchi this year will be more abundant than in 2019. ■

L.C

Golden Key to Health



Japan, South Korea and Europe. Seeing the great potential from the source of highly nutritional fat, Sao Mai Group has taken lead in investment, research and development of high-grade Ranee product line - the first cooking oil made from fish in Vietnam - as an optimal choice for consumers with outstanding value and quality.

High-class Ranee branded cooking oil

Deeply understanding consumer needs and having profound dedication to quality plus the desire to care for the health of millions of

Vietnamese people, Ranee cooking oil, since its first step into a completely new market segment, has brought consumers a product that provides all essential nutrients from fish for their daily meal, gradually conquering and capturing customer trust.

Affirming the product quality, Deputy Director of the National Institute of Nutrition, Associate Professor, Doctor Truong Tuyet Mai presented her research on good benefits and nutritional value of Ranee, a premium cooking oil 100% made from fish, for human health, at a scientific conference in Da Nang City in 2016. Successfully adopting the application of modern advanced production technology supplied by Desmet Ballestra Group of Belgium, Asia Fish Oil Joint Stock Company, a member of Sao Mai Group, launched a Ranee-branded product with eye-catching appearance, golden oil drops and superior quality placed under strict control according to international standards like HACCP and Halal. Used daily, Ranee acts as a compass for diet on the table in every dish. It is the answer to nutritional balance of the body.

In response to premium quality, consumer trust and preference, Ranee has received various prestigious awards such as Top 100 Trusted and Used Products and Services Award 2019, Gold Medal for Community Health, Top 100 Best Products and Services for Families and Children.

Ranee cooking oil is made 100% from fish. It supplies natural nutrients for human health. It is a must-have spice in the kitchen of every family to make foods more delicious. Ranee cooking oil not only brings an advanced nutrition secret from fish but also the pride of a “made in Vietnam” product exported to many countries around the world.■

An appropriate diet is the foundation for health and intelligence. In order for the human body to function continuously and effectively, it is necessary to provide ingredients through daily meals. Nutritionists recommend that nutrient-rich and balanced foods are the golden key to consumer health.

NGOC MIN

Precious nutrients from nature

Fish benefits have long been scientifically proven to have a strong effect in preventing cardiovascular diseases and enhancing eye and brain health. In particular, fish fat components are rich in natural nutrients such as omega 3 that help lower blood cholesterol, reduce the risk of cardiovascular disease, and supplement DHA/EPA that is good for the brain, vitamins A and E good for the eyes. Therefore, consumers always want to add this source of fat to their family's daily diet through delicious food or pills, and functional foods (fish oil, omega oil 3, DHA tablets).

With more than 2,300 rivers, Vietnam has an extremely rich and diverse source of fish. Prominent among them is Vietnamese catfish, which is highly favored in advanced countries in the world such as

Vietnam Aviation Likely to Lose VND30 Trillion because of Covid-19

Reducing routes will cause Vietnam's aviation industry to lose up to VND30 trillion in revenue in 2020, according to the latest calculations. The Ministry of Transport has proposed many support policies to ease the matter.



In the stock market, the aviation industry has lost about VND85 trillion so far. Without timely support from the Government and ministries, 2020 will be a nightmare for Vietnam's aviation industry after many years of double-digit growth.

Heavy damage

According to the document sent by the Ministry of Transport (MOT) to the Ministry of Planning and Investment (MPI) on the impact of the Covid-19 on the transport sector, the initial damage of Vietnamese passenger carriers suspending many routes is estimated to reach more than VND30 trillion.

According to the latest report of the Ministry of Transport, from the end of January, due to the impact of Covid-19 epidemic, the aviation transport market started to decline

Nestlé MILO Pioneers Paper Straws Instead of Plastic Straws

Nestlé MILO, a brand of Nestlé Vietnam, will officially use paper straws for the MILO Breakfast drinks instead of conventional plastic straws from March 2020. This is also the first time in Vietnam Nestlé MILO products apply this initiative.

Nestlé MILO is expected to put into use over 16 million paper straws in 2020, helping reduce plastic waste by 6.7 tons.

If these paper straws are placed next to each other, they will form a line longer than 2,200 km, equivalent to 1.5 times the distance from Ho Chi Minh City to Hanoi. This practical action is an important step by Nestlé MILO towards a zero-waste plastic future and helps build a greener and cleaner Vietnam.

The switch to paper straws does not affect product quality and children's usage habits. The new straws are manufactured and tested according to European standards to ensure safety in use, not change the taste and smell of

products. They are easily biodegradable, environmentally friendly.

Nestlé MILO also chooses bendable paper straws, an interesting characteristic to children.

Switching to paper straws, Nestlé MILO is helping support Vietnam to achieve the goal of reducing plastic waste on beaches and in oceans by 75% by 2030. This is also in line with Nestlé's global commitments to reduce its own plastic use, aiming to make 100% of its packaging recyclable and reusable by 2025.

Mr. Ali Abbas, Director of MILO and Head of Nestlé Vietnam's Dairy Business, said that launching paper straws for MILO Breakfast products is one of our first actions to bring real impact to the environment. Today's small but practical actions will make a big positive impact in the future if we all act together for the environment.

Nestlé MILO Breakfast products with paper straws are available in Co.opmart and Co.opXtra stores. The distribution of these products will be extended to various retail channels nationwide.

Giang Tu

✎ sharply. So far, carriers have suspended, reducing the frequency of series of flights.

Specifically, all flights to China and S.Korea have been suspended; flights to Taiwan have been decreased by 25% (to 172 flights per week compared to 231 flights per week), meanwhile, Vietnamese carriers have cut 34% of flights (to 99 flights per week, compared to 151 per week at the end of 2019).

The Hong Kong route has also witnessed a drop of 69% (to 36 flights per week, compared to 115 flights per week at the end of 2019). In particular, Vietnamese airlines suspended most of their flights (92%), only Vietnam Airlines has kept four flights per week (compared to 47 flights per week at the end of 2019).

Japan routes have not suffered any cuts, still maintaining 160 flights per week; however, the airlines are assessing the situation and there is a high possibility that they will have to cut flights in the coming period.

According to estimates, cutting routes has caused the loss of more VND30 trillion to the Vietnamese aviation industry, this figure increased sharply compared to previous estimates: about VND10 trillion in early February and VND25 trillion at the end of February.

Based on updated shipping data, the Civil Aviation Authority forecasts that in the best case, if the Covid-19 epidemic is controlled before April, the total market will reach 67 million visitors, down 15.4% compared to 2019. In particular, Vietnamese carriers will transport 12.7 million international passengers (down 28.3%) and 35.3 million domestic passengers (down 5.5%), the total transport will reach only 48 million visitors (down 9.2% from the same period last year).

In the worse scenario, if the disease is only under control before June, the total market will be only 61.2 million passengers, down 22.6% compared to 2019. In particular, Vietnamese carriers will transport 10.4 million international visitors (down 41.2%) and 35.3 million domestic visitors (down 5.5%), the total transport will reach only 45.7 million passengers (down 17% over the same period).

How to support the aviation industry?

With the heavy losses caused by Covid-19, the Prime Minister has signed Directive No. 11 to support enterprises, especially aviation enterprises. However, the implementation of Directive 11 has been quite slow.

In order to accelerate the "rescue" for the aviation industry, the Ministry of Transport has recently proposed the Ministry of Planning and Investment to summarize and report to the Prime Minister to allow the Ministry of Transport to issue a policy to support aviation service prices for Vietnamese carriers.

Specifically, the Ministry of Transport has proposed the Ministry of Planning and Investment report to the Prime Minister for a 50% reduction in take-off, landing and flight control service prices for domestic flights. This policy is expected to be applied from March 1 to May 31.

At the same time, it is necessary to apply a minimum price of 0 VND for specialized aviation services from

March 1 to May 31, thus creating conditions for businesses to provide discount services for airlines and businesses using other services.

The Ministry of Transport has also proposed that the Government assign the Ministry of Finance to consider and support the exemption of import tax and environmental protection tax on aviation fuel for three months.

In case of budget difficulties, the Ministry of Transport has proposed reducing 50% of import tax, environmental protection tax on aviation fuel and allowing enterprises to extend time limits for tax payments and budget contributions.

For those proposals by the Ministry of Transport, Ms. Nguyen Thi Cuc, Chairwoman of the Vietnam Tax Consulting Association, said, "The proposals of the Ministry of Transport are reasonable, timely, in the sections where the Ministry of Transport and the Civil Aviation Authority have authority to perform such as reducing a number of fees, prices of airport services, take-off and landing services and they need to be implemented quickly to reduce losses for airlines."

“In addition, for other tax items such as import duties, environmental protection taxes, tax deferral and tax contributions not under the Ministry of Transport's authority, but related to other ministries and departments, the Government and other ministries need to jointly intervene to quickly solve problems against enterprises. In light of the Covid-19 outbreak, the aviation industry will be directly affected, without timely measures, there will be bad scenarios for the aviation industry,” Ms. Cuc shared.■

N.A

(from P.13)

VLA said that if the disease situation persists, the Government should consider reducing transportation costs such as BOT, road, parking, vehicle storage, and taxation on aviation fuel to reduce difficulties for business.

As for road and rail freight transport between Vietnam and China which is greatly affected, the Government instructs to increase domestic transportation and at the same time, expand the connection with the rest of the ASEAN countries, especially Thailand, to help road transport compensate for the shortage from restricting goods transportation to China during the disease outbreak.

VLA also proposed that the State Bank should consider reducing the basic interest rate. Commercial banks need to freeze, reschedule, reduce lending rates, expand loan limits, restructure loans for businesses heavily affected by Covid-19. In the event of a prolonged epidemic, VLA recommends that the Government reconsider all taxes and transportation costs such as BOT, tolls, yards discounts.■

N.V

How Is US\$5 Billion Sabeco Deal Now?

Having spent nearly US\$5 billion to acquire more than 53% of Sabeco's shares, Thaibev's investment lost more than half of its value since the beginning of 2020.

2020 is an extremely volatile year for the economy when the Covid-19 pandemic is raging and affecting the economy worldwide.

Thaibev Group said that revenue and net profit in the first quarter of the fiscal year 2020 both increased over the same period of 2019 to about VND56,400 billion (US\$2.43 billion) and VND6,900 billion (US\$300 million), respectively. Revenue structure was disturbed when spirits rose to the lead with 45.5% of the share. Beer dropped to second place with only 44% and the rest was non-alcoholic drinks and foods.

Accounting for nearly half of sales, spirits contributed more than 87% of profits while beer brought in less than 10% because it carried various expenses such as excise tax, material, contributions and sales.

Billionaire Charoen Sirivadhanabhakdi's group earned about VND24,800 billion from beer brands in the first quarter. Net profit doubled in the same period but profit paid to shareholders halved.

As explained by the leadership, the beer segment slowed down, including the Saigon Beer - Alcohol - Beverage Corporation (Sabeco). Sales in Vietnam and ASEAN markets generally decreased by 12%.

Sabeco's revenue fell 6% year on year to more than VND9,800 billion in this period as its output shrank and its excise tax increased after an affiliated company became a subsidiary company.

However, in the whole year, Sabeco still recorded a 5% increase in revenue to VND37,900 billion (US\$1.6 billion). The company's management said that marketing and sales support resulted in a high rise in expenses and the profit was also significantly improved. The company's net profit was more than VND5,370 billion, a new record from its inception to the present.

Vietnam is one of the core markets, an indispensable piece that makes ThaiBev a leader in the Southeast Asian beverage industry.

Large-cap stocks tumbled and Sabeco (HoSE: SAB) was also the case. SAB fell 32% since the beginning of the year. Its market capitalization was only over US\$4.2 billion (over VND97 trillion).

In 2017, ThaiBev's Vietnamese branch bought 53.59% of stake in Sabeco, Vietnam's largest brewer, for US\$4.8 billion. According to its fiscal year ended on September 30, 2019 like ThaiBev, SAB's annual revenue was in the range of US\$1.5-1.7 billion in recent years, much lower than that revenue of US\$4 billion. It showed that ThaiBev still highly valued Vietnam's beer growth.

Before 2020, Sabeco was still a chicken that laid a “golden egg” for ThaiBev when its acquisition of Sabeco helped raise beer revenue to US\$4 billion, 27% higher than the previous year, and its profit jumped 50% to US\$104 million. ThaiBev also admitted the growth was driven

from Sabeco while Thai and regional markets were weakening.

After the takeover of Sabeco, ThaiBev was significantly affected by the growth or slowdown of the leading beer company in Vietnam. The domestic market previously accounted for a high share of ThaiBev's revenue, at over 96% sometimes. Since Sabeco became a subsidiary, this ratio was only about 70%. In 2019, beer surpassed spirits to lead the revenue structure by category and sales grew over 26%. While consumption in Southeast Asia is slowing down, Sabeco still keeps impressive growth.

"If Sabeco was excluded, non-Thailand beer sales would decline because of poor business results in some ASEAN countries,” said a ThaiBev report.

However, in 2020, Sabeco has been sandwiched by many pincers. Decree 100 banned drinking while driving (effective from January 2020); Decree 24 restricted advertisement on alcohol and wine (effective from February 2020) and especially the Covid-19 pandemic broke out.

Remarking on this issue, Sabeco leaders also admitted that the beer market will be affected in the short term (as recently as the first quarter of 2020) and it will take time for consumer habits to adapt to new policies. However, Sabeco temporarily has not quantified or set a sales target for the whole year of 2020.

In the baseline scenario for the beer industry, Viet Capital Securities Corporation (VCSC) forecast that the decline in beer consumption will be strongest in the first quarter of 2020 and sales will improve gradually in the following quarters if the Covid-19 epidemic is controlled in the second quarter of 2020. At the same time, VCSC assumed that market actors in the beer market, including consumers, will gradually adapt to Decree 100.

VCSC estimated that, in 2020, Sabeco's revenue will slump 14.7% from 2019. Gross profit margin was projected at 28%, 2.8 percentage points higher than in 2019.

Meanwhile, VCSC expected lower input costs and business restructuring actions will help Sabeco increase its gross profit margin. In addition, SAB's profit growth will also be supported by rising interest income.

SSI Securities Corporation estimated that Sabeco's revenue and net profit this year will be VND44.4 trillion and VND6.100 trillion, respectively. These indicators are expected to maintain double-digit growth amid the slowing beer industry, stable at 6-7%, due to negative impacts from the Law on Prevention of Alcohol Harms.■

K.H

Minority Women Encouraged to Engage in Hospitality Business



With 12 ethnic groups living together, Moc Chau is one of the most culturally diverse districts in Son La province. Along with famous natural landscapes such as Hang Doi Cave, Dai Yem Waterfall, Pha Luong Peak, Ang Pine Forest Ecosystem, plum blossom valleys, and peach and dairy farms, special cultural features offer a variety and diversity of tourism types all four seasons of the year.

TRAN THUY NGA (M.A)

Having the opportunity to visit Vat village in Muong Sang commune, we met Hoang Thi Ha and Dinh Thi Thuan, two ethnic minority women who are developing local community tourism through homestay services.

At the beginning of this year, Ha and Thuan were admitted to GROW, a project to promote gender equality through community tourism, developed by Action on Poverty in Vietnam (AOP), part of the Gender Responsive Equitable Agriculture and Tourism (GREAT) funded by the Government of Australia. The project is designed to improve the capacity of local women, encourage them to join the tourism market, and raise the voice of women in making economic decisions. Through the project, they are supported with loans to improve their facilities, given the chance to visit and learn from successful homestay models and get training to make tourism sustainable.

"I invested to repair my house of Thai cultural identity that displays traditional Thai weaving tools such as looms and souvenirs, reconstruct and instruct Thai weaving stages to guests. I also provide local specialties made from organic and safe materials for visitors," said Thuan.

“Gender equality is a priority for both Australia and Vietnam and a critical part of the Australian Government’s development cooperation in Vietnam. The GREAT program is designed to stimulate innovative solutions to enhance the lives of women, their families and local communities in north-west Vietnam, and will also contribute to higher productivity and economic growth in the region. We look forward to working closely with the provinces of Lao Cai and Son La to make the program a success,” said Mr. Justin Baguley, Counsellor, Economic and Development Cooperation at the Australian Embassy in Vietnam.

The program will partner with a diverse range of actors, including the private and non-government sectors in agriculture and tourism, to improve the policy environment and stimulate inclusive and equitable growth in the mountainous Northwest region of Vietnam. It is expected that the program will assist some 40,000 self-employed women to boost their incomes and create approximately 4,000 jobs for women to drive economic growth in the provinces.

Thai typical foods are also prepared quite sophisticatedly by Ha, from guaranteed food sources such as grilled fish, grilled minced meat, fish, bamboo shoots, smoked pork; rice in bamboo tubes, and five-color sticky rice.

Not only arranging houses neatly and cleanly and making unique Thai dishes, Ha and Thuan also involve other local women to help keep roads and the environment clean, green and beautiful. "I try to deliver the best impression to visitors from delicious foods to hospitality, create a fresh environment for each traveler to have a good impression when they come to this upland of Moc Chau."

As a result, their Kien Ha homestay, only operating since mid-2019, has served over 30 delegations and is employing four women workers. The community-based tourism model adopted by Ha and Thuan is the right approach, consistent with women's economic empowerment scheme aimed to tap local tourism potential and strengths.

Homestay models in Vat village need to be scaled up to engage more upland women to create jobs and increase incomes for them as well as promote the sustainable tourism potential of Moc Chau district. ■

Pausing Tourism to Prevent Covid-19 Spread

In response to the spreading Covid-19 infection, following the direction of the government, many localities have simultaneously stopped tourist reception at places of interest to ensure safety for visitors and residents.

GIANG TU

No receiving new tourists

Immediately after many people tested positive to the novel coronavirus (Covid 19) on international flights to Vietnam, most recently eight flights landing on March 16, many localities, including Hanoi, Ninh Binh, Quang Binh, Hue, Hoi An, Quang Nam, Phu Yen, An Giang, Kien Giang, Ben Tre, Dong Thap, Binh Dinh and Vinh Long, stopped welcoming visitors and tourists to prevent spreading the pandemic.

Being worried that the epidemic development could be complicated in the province, on March 16, Chairman of the Lao Cai Provincial People's Committee issued an urgent official dispatch stating: "From March 8 to 14, 2020, Sapa Town welcomed 11,316 visitors from 69 countries and territories who stayed in the town (on average of 1,500 - 1,600 people a day). According to daily statistics, the number of visitors is tending to grow on the fact that many localities (10 provinces and cities) already stopped receiving new tourists to prevent the raging pandemic.

As of March 16, 2020 (after the Government stopped granting entry visas for tourists from England and 26 Schengen countries), many tourists from the above mentioned epidemic areas, subject to 14-day isolation and medical testing, still stayed in Sapa Town.

Consequently, the Steering Committee for the Covid-19 Epidemic Prevention asked Lao Cai province to consider stopping tourists from coming into the province in 14 days, starting from March 17.

On March 16, Chairman of the Vinh Long Provincial People's Committee Lu Quang Ngoi also requested the Directors of the Departments of Culture, Sports and Tourism, Health, Transport, and Public Security; Chairpersons of District-level People's Committees to step up Covid-19 prevention and control in cultural, sports and tourism activities in the province. Accordingly, he requested heads of concerned agencies and District-level People's Committees to increase communications to raise public awareness of Covid-19 epidemic prevention and control in local cultural, sports and tourist activities. He also demanded restricting mass gatherings, especially weddings, funerals, anniversaries, and cultural and arts activities in the community.



Like many other localities, Quang Binh province decided to temporarily stop welcoming visitors and tourists into local tourist spots, historical and cultural relics, and landscapes from March 17, 2020. The province stopped receiving new visitors. Operators and managers of tourist areas, destinations, historical and cultural relics, and scenic places are cleaning and disinfecting these places and upgrading equipment to ensure safety for tourists when they reopen.

According to the Hoi An City Steering Committee for Covid-19 Prevention and Control, up to now, a foreigner in Hoi An tested positive for Covid-19 (identified as Patient 33 who travelled on the same Flight VN0054 with Patient 17). 43 direct contact cases (F1) tested negative. However, the risk of Covid-19 contagion is still very high. On March 16, Hoi An People’s Committee issued a notice on operational suspension of night markets, cultural services, sporting events, banquet restaurants, weddings and entertainment venues crowded with people to prevent and combat Covid-19.

On March 17, the Provincial People’s Committees of Kien Giang and Binh Dinh requested directors of provincial agencies and mass organizations and chairpersons of the District-level People’s Committees to suspend tourist reception and prevent crowding.

Although no Covid-19 case has been found in Quang Tri province, in order to prevent the plague, Vice Chairman of the Quang Tri Provincial People’s Committee Hoang Nam signed an urgent notice on March 15 to the Department of Culture, Sports and Tourism, District-level People’s Committees and Dong Ha City temporarily suspending tourist reception in historical and scenic sites and tourist attractions in the province, starting from March 19 until further notice.

According to the Dong Thap Department of Culture, Sports and Tourism, the complicated development of the Covid-19 epidemic caused a significant reduction in visitor arrivals in the province. In February, the province welcomed nearly 200,000 visitors to tourist attractions and destinations, down 20% from January. In particular, international visitors to Dong Thap were estimated at 2,000, a drop of 3,000 from January. Total tourism revenue sank 46% to VND48 billion in the month.

2020 is now considered one of the most difficult years for the tourism industry. In a regular government press conference in early March, Minister and Chairman of the Government Office Mai Tien Dung anticipated that tourists staying at hotels would decrease by 60% and tourism industry losses of about US\$7 billion. Some businesses,

especially small and medium-sized enterprises, have temporarily suspended or narrowed their operations.

The decision to stop receiving tourists is expected to negatively affect local budget revenue, especially localities with key tourist attractions. However, this move is necessary to ensure effective prevention and control of the Covid-19 epidemic, circumvent public worries and ensure public health.

Domestic tourist stimulus program will return in an appropriate time

Facing the complicated development of the acute respiratory infection caused by a novel coronavirus (Covid-19), the Vietnam tourism stimulus program launched in mid-February to overcome Covid-19 epidemic consequences, had to be stopped to ensure the safety of visitors and many attractions, monuments and entertainment locations are closed.

Binh Dinh province, one of four destinations joining the Vietnam Tourism Stimulation Program, announced the temporary suspension of visitor and tourist reception to prevent the Covid-19 epidemic. In Official Dispatch 1571/UBND-VX to the Department of Tourism, the Department of Culture and Information, and District-level People’s Committees in the afternoon of March 16, the Chairman of Binh Dinh Provincial People’s Committee agreed to stop receiving of visitors and tourists at historical and cultural relics, places of interest and tourist sites from March 17 until further notice.

The Dak Lak Tourism Association also sent Document 05/2020/HHDLDL to Vietnam Tourism District and the Vietnam Tourism Stimulation Union 2020 to request relevant agencies not to send tourist delegations to Dak Lak province as planned in the Vietnam Tourism Stimulation Program 2020. This reception program will be resumed after the province controls the Covid-19 situation well.

Mr. Vu The Binh, Permanent Vice Chairman of the Vietnam Tourism Association, said that the Vietnam Tourism Stimulation Program was halted and tourism companies actively stopped receiving inbound tourists because they cannot guarantee their tours. The association will continue to maintain the stimulus alliance and encourage businesses to build products. The stimulus program will resume when the Covid-19 pandemic is under control. We will review the first phase of the stimulus program and prepare for the second phase even as the epidemic is developing more unpredictably.■

Temporarily Stopping Granting Visas to Foreign Visitors to Vietnam

In order to promptly respond and prevent the Covid-19 outbreak which is spreading quickly in the world, the Government Office issued Announcement 102/TB-VPCP on Prime Minister Nguyen Xuan Phuc’s conclusions on Covid-19 prevention. Accordingly, Vietnam will suspend the issuance of visas for foreigners entering Vietnam for about 30 days, starting from March 18, 2020.

Specifically, foreigners enjoying visa-waiver program or overseas Vietnamese and their spouses and children having been granted certificate of visa exemption shall only be allowed to enter Vietnam if they can submit papers certifying they are not positive for the SARS-CoV virus that causes Covid-19. This measure is also applied to foreigners who are experts, business managers or highly skilled workers upon arrival to Vietnam. Virus tests must be approved by competent authorities accepted by Vietnam.

The above mentioned measures are not applied to people on entry for diplomatic or official purposes. All entrants must be medically checked and have to comply with Vietnam’s prevention and control measures.

In addition to the current quarantine measures, centralized quarantine is subject to all incoming travelers from the United States, Europe and ASEAN countries. Those who are not subject to centralized quarantine will be supervised and medically monitored during their mandatory isolation at place of residence and workplace.

The Prime Minister also asked the Ministry of Health, the Ministry of Defense, the Ministry of Public Security and the Ministry of Transport to consider and decide the landing position for flights from infected areas to ensure favorable conditions for the isolation of people on entry and epidemic prevention requirements. The Ministry of Health specifically guides monitoring entrants from aircraft, medical control at airports and testing of entry passengers.

Giang Tu