

COUNTRY REPORT: VIETNAM 2020

BY HOA BINH CONSTRUCTION GROUP

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1. COVID-19 Status
2. Economic Situation
3. Building Materials



Current Situation (as of Dec 9, 2020)

Confirmed cases: 1,381 (no community cases since Dec 2, 2020)

Active cases: 118

Recovered: 1,225

Deaths: 35 (no deaths since Sep 4, 2020)

Fatality rate: 2.53%

Pandemic Containment

Successful Containment

Cited by global media as one of best organized epidemic control programs worldwide

Quarantine & Prevention

Suspension of entry to all foreigners from 22 March 2020 until further notice, requirement of returning nationals for isolation for 15 days

Proactive Containment Strategy

Early detection, comprehensive testing, tracing, and quarantining

Swift Lockdowns

Lockdowns of major cities on reports of positive COVID cases; Bình Xuyên District in January-March, Da Nang for 15 days on 28 July

Vaccine Development

Vietnam currently has four Covid-19 vaccines under development by:

1. Nanogen Pharmaceutical Biotechnology JSC
2. The Institute of Vaccines and Medical Biologicals (IVAC)
3. Vaccine and Biological Production Company No. 1 (Vabiotech)
4. The Center for Research and Production of Vaccines and Biologicals (Polyvac)

Nanogen

Set to be the first to conduct human trials in the country, consisting of three phases:

- Phase 1: 60 aged-18-50 volunteers; Dec 2020 – Feb 2021
- Phase 2: 400-600 aged-12-75 volunteers; Feb 2021 – Aug 2021
- Phase 3: 1,500-3,000 aged-12-75 volunteers; Aug 2021 – Feb 2022

Nanogen's current production capacity is 2 million doses per year, aiming to reach 20-30 million doses per year

IVAC

Expected to enter human trials starting March next year if approved by authorities

Vabiotech

Would seek approval for human trials in early 2021.

Sources:

<https://e.vnexpress.net/news/news/vietnam-may-distribute-indigenous-covid-19-vaccine-next-may-4202760.html>

<https://nhandan.com.vn/tin-tuc-y-te/viet-nam-khoi-dong-du-an-thu-nghiem-lam-sang-vaccine-ngua-covid-19-627604/>

<https://ncov.moh.gov.vn/vi/web/guest/trang-chu>

<https://ncov.vncdc.gov.vn/pages/viet-nam-1.html>

[https://www.who.int/vietnam/emergencies/coronavirus-disease-\(covid-19\)-in-viet-nam/covid-19-situation-reports-in-viet-nam](https://www.who.int/vietnam/emergencies/coronavirus-disease-(covid-19)-in-viet-nam/covid-19-situation-reports-in-viet-nam)

<https://ourworldindata.org/covid-exemplar-vietnam>

https://en.wikipedia.org/wiki/COVID-19_pandemic_in_Vietnam



Overall Relatively Positive Macroeconomic Indicators in 2020

Only major Asian economy outside China to register positive growth in 2020 amidst COVID-19 due to successful pandemic management and growth in industrial and export, despite contraction of tourism and unemployment due to lockdowns^[2]

Positive GDP Growth (Year-on-year Q3 2020) Despite COVID-19

GDP growth of 2.62% year-on-year Q3 2020 due to upticks in manufacturing and exports, accelerating economic recovery from a slowdown in first half 2020 caused by the pandemic, however, still substantially below 2019 year-on-year GDP growth at 7%^[1]

Strong Growth in Industrial, Agriculture and Services Sectors Jan to Sep 2020

Industry expanded most by 3.08%^[1]. Exports increased 11% in large part due to growing demand for PC's for online students and work from home.

Agriculture was up 1.84%

Services up 1.37%^[1]

Tourism and Transport Industries Dropping due to COVID-19

Number of foreign tourists decreased by 70% in nine months vs last year^[1], prior to pandemic tourism accounted for 8% of GDP^[3]

Unemployment Rate Escalated in Response to Previous Lockdowns

Unemployment rate in Q2 2020 increased to 2.73% compared to 2.15% previous year
















Sources:

[1] The Saigon Times. "Vietnam's economic growth rebounds to 2.62% in Q3 from 0.39% in Q2"

[2] Elegant, Naomi Xu. "One major Asian economy besides China is set for growth this year—and its GDP just rose 2.6%". Fortune

[3] The World Bank. "Taking Stock: Recent Economic Developments of Vietnam"

Macroeconomic Indicators

Overview	Last	Reference	Previous	Range	Frequency	
GDP Annual Growth Rate (%)	2.62	Sep/20	0.39	0.39 : 8.48	Quarterly	
Unemployment Rate (%)	2.73	Jun/20	2.22	1.81 : 4.5	Quarterly	
Inflation Rate (%)	1.48	Nov/20	2.47	-2.6 : 28.24	Monthly	
Interest Rate (%)	4	Sep/20	4.5	4 : 15	Daily	
Balance of Trade (USD Billion)	0.6	Nov/20	2.94	-3.89 : 4.98	Monthly	
Current Account (USD Million)	-323	Jun/20	4153	-10823 : 9471	Quarterly	
Current Account to GDP (%)	5	Dec/19	2.4	-12.7 : 6	Yearly	
Government Debt to GDP (%)	57.5	Dec/18	58.2	31.4 : 59.7	Yearly	
Government Budget (% of GDP)	-4.4	Dec/19	-3.5	-9.9 : 1.2	Yearly	
Manufacturing PMI (points)	49.9	Nov/20	51.8	32.7 : 56.5	Monthly	
Corporate Tax Rate (%)	20	Dec/20	20	20 : 35	Yearly	
Personal Income Tax Rate (%)	35	Dec/19	35	35 : 40	Yearly	
Coronavirus Cases (Persons)	1377	Dec/20	1367	0 : 1377	Daily	
Coronavirus Deaths (Persons)	35	Dec/20	34	0 : 35	Daily	
Coronavirus Recovered (Persons)	1225	Dec/20	1224	16 : 1225	Daily	

Source: Trading Economics



Steel

Steel Prices Increasing

\$260-270 per tonne cfr Vietnam were deemed representative of the current spot market^[3]

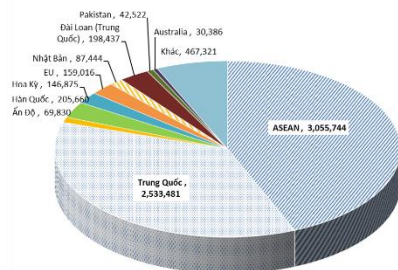
Steel Imports down year on year

Over first 9 months of 2020, steel imports to Vietnam were 10.36 million tons with a value of over \$6.05 billion, down 4% in volume and 15.9% in value respectively over the same period of the year. 2019^[1]



Steel Export

Over first 9 months of 2020, Vietnam exported steel reached 6.997 million tons, with a value of 3.65 billion USD to more than 30 countries and regions around the world, of which, the main export markets are ASEAN, China, Taiwan, United States^[1]



Cement

Cement Production Increased year-on-year

From Jan-Sep 2020 production of cement reached 73.93 million tons, up 4% over the same period.

Particularly in September, the whole cement industry consumed about 10.15 million tons, up 7% compared to August 2020

Cement Exports Strong Growth

For exports, in September Vietnam exported 5.32 million tons (cement 1.39 million tons; clinker 3.93 million tons), up 100% over the same period in 2019.

cumulative exports of cement and Clinker in the first half of 2020 is estimated at 28.68 million tons, up 24% over the same period

Sources:

[1] Vietnam Steel Association November Report

[2] Vietnam Association for Building Materials

[3] Lim, Paul. "VIETNAM STEEL SCRAP: Prices surge again on global increases". Fastmarkets

THANK YOU

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