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Impacts of the CPTPP agreement on Vietnam's economic sectors



Impact of the CPTPP agreement 08/03/2018

Overview of the CPTPP Agreement

After the negotiations of CPTPP ended in late January, 2018, all members are on the way of completing the procedures to sign the Agreement in Chile on March 8, 2018, the Agreement will come into effect from the beginning of the 2019. Currently, the agreement includes 11 countries: Brunei, Chile, New Zealand, Singapore, Australia, Peru, Vietnam, Malaysia, Mexico, Canada, Japan. The market size of CPTPP is USD 499 million.

Fundamentally, the CPTPP retains the original provisions of the TPP agreement. However, CPTPP has two distinct points from TPP: (1) 20 obligations have been suspended (including 11 obligations related to the Intellectual Property Chapter, 2 obligations related to the Government Procurement Chapter and 7 remaining obligations related to 7 chapters which are Customs Management and Trade Facilitation, Investment, Cross-border Services Trade, Financial Services, Telecommunications, Environment, Transparency and Anti-Corruption); (2) strengthening the policy universe and flexibility of regulations by supplementing the new provisions on "withdrawal", "accession", and "revision" of the agreement.

Many studies suggest that the benefits Vietnam received from the CPTPP with the absence of the US was much less than the previous TPP, as the trade with US accounted for 60% of the GDP and about 22% of Vietnam's total exports. Among the 11 countries participating in the CPTPP, Vietnam has signed multilateral and bilateral trade agreements with the majority of them except for Peru, Canada and Mexico. Specifically, with CPTPP, Vietnam GDP is forecasted to increase only by 1.32%, while with TPP the number is 6.7%. CPTPP is expected to add 4% more to exports, while TPP will contribute additional 15%. CPTPP raises imports by 3.8% while TPP is likely to increase import by 10.5% thanks to the expansion of export markets as the result of accessing three new markets: Canada, Mexico and Peru.

Generally speaking, although without US, the CPTPP between Vietnam and 10 other countries (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, and Singapore) is still considered as the largest free trade agreement has been settled in recent time. In terms of scope, the signed CPTPP agreement will create an open market, taking up to about 15% of global GDP and 15% of global trade volume. In addition, Bloomberg also predicts that the number of CPTPP members will be able to increase to 16. Currently, South Korea, Taiwan, Thailand, Indonesia and the Philippines have indicated their willingness to join the trade agreement. A potential trade agreement with these five members is expected to generate a revenue of USD 449 billion globally and USD 486 billion for the current 11 CPTPP participants. The UK is also considering joining the agreement to balance partly the lost trade after leaving the EU.

In this Report, BSC refers to the Prospects for some sectors that will benefit from the CPTPP Agreement, and we also name some notable companies in the industry, particularly in terms of earnings forecasts as well as the valuation of the business. Investors also can refer to the BSC Report of Industry Outlook 2018.



Update the impacts of CPTPP on Sectors

Sectors	Impacts	Notable stocks
Textile & Garment	 Not considerably impacted: The import-export turnover of the remaining 10 CPTPP countries is not too large. The remaining 7/10 members of CPTPP have signed bilateral and multilateral trade agreements with Vietnam, giving a great deal of incentives to the textile and garment industry. 	VGT, VGG, TCM, TNG
Aquaculture	 Not considerably impacted: CPTPP's countries volume account for about 23% of the total aquaculture export turnover. Most countries in the CPTPP have bilateral trade agreements with Vietnam, except for Canada, Peru, Mexico, which is also a good base for seafood companies to diversify their output markets. 	VHC, FMC
Wood	 Not considerably impacted: Among the top 5 largest importers of wood in Vietnam, only Japan participates in CPTPP. For Japan, Vietnam is currently maintaining the Economic Partnership Agreement between Vietnam and Japan (VJEPA). Wood products are also subject to a tax rate of almost zero percent due to the reduction of tariffs binding from 2009. 	GDT,SAV
Industrial zones	 Not considerably impacted: Competitive advantages of Vietnam in comparison with others in the area include (1) Low labor cost, land rental and associated costs such as electricity, water, management fees, (2) Good tax incentives, (3) Strongly increasing demand. The disbursement progress of transport infrastructure projects is slow, thus affecting the drawn of more FDI into industrial zones. Those industrial parks locate in special economic zones, near ports and airports with good preferential policies will be the destinations of FDI inflows. 	IDC, KBC, LHG
Construction Materials	 Not considerably impacted: For construction materials, Vietnam mainly exports steel to ASEAN countries, currently the tax rate has decreased 0% due to the ASEAN trade agreement. Cement export markets have now reduced tariffs to 0%, so the drive for growth from CPTPP is not available. 	HPG, HSG, NKG

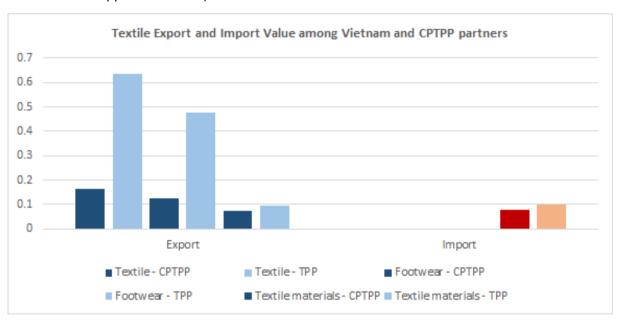




Banking	Not considerably impacted:		
	 Banks are the indirect 		
	The CPTPP will indire		
	banking sector through		
	for credit and paymen		
	import and export, dire	ct and indirect investments.	
	Not considerable impact:		BVH, PVI, BMI
	 Life insurance is inc 	lirectly benefited through economic	
Insurance	growth.		
	 Non-life insurance ber 		
	growth.		
Industries not affected by CPTPP		Petroleum, Fertilizer, Plastic ,Natural Rubber and Tires, Sugar	

Textile and Garment – Minimal Impact

Import-export volume of textiles and leather footwear between Vietnam and CPTPP members are substantial (about 16%), but much lower than when the United States has not yet withdrawn from the agreement (it is estimated around 70% for export textiles and footwear and 22% for imports of textiles and apparel materials).



Source: General Department of Vietnam Customs

The growth dynamics of Vietnam's garment export turnover contributed by CPTPP will be negligible due to:

1) The import-export turnover of the remaining 10 CPTPP countries is not too large, especially when compared to the TPP with US. In the past, TPP was expected to generate a big jump in exports thanks to the participation of the United States, the largest export market for Vietnamese garment, which accounted for 48.3% of total turnover. In addition, the United States is also the market that provides up to 50% of raw cotton for the



Impact of the CPTPP agreement 08/03/2018

- domestic textile industry. In the current CPTPP member countries, Japan is the largest importer of textiles and garments from Vietnam, with only \$ 3.11 billion ($^{\sim}$ % of US), followed by Canada (\$ 556 million).
- 2) 7 out of the remaining CPTPP members have signed bilateral and multilateral trade agreements with Vietnam, giving a great deal of incentives to the textile and apparel industry. For example, the ASEAN Trade in Goods Agreement pledged for the exemption of import tariffs on textiles and garments from Vietnam to ASEAN countries, or for the Vietnam Japan Economic Partnership Agreement (VJEPA), imports tariffs of Vietnam's main textiles and garments product lines, which is currently subject to a tax rate of 3-5% will soon decline to 0% according to the 2020 roadmap.

Of the three countries that have not signed preferential trade agreements with Vietnam, Canada is the most promising country in boosting garment exports. Imports of garments from Canada amount to \$ 5 billion (estimated for 2017), of which about 40% come from China (Trade map, 2016). Vietnam's annual garment export turnover to Canada is currently only USD 556 million (~ 10.3%) in the absence of any trade commitments between the two countries, which is lower than that of Cambodia or Bangladesh, however, with the faster speed of growth is 3-5%. When CPTPP becomes effective, textile and garment exports from Vietnam to Canada will have more advantage from import tax. Canada and the United States have many similarities, so it will be easy for Vietnamese garment enterprises to approach and promote in this market.

The rule of origin "yarn-forward" is both a driving force and a barrier to domestic textile. Firstly, Vietnamese textile and garment products are difficult to meet this requirement because (1) the localization rate of garment in Vietnam is still low (only about 51.7% in 2016); (2) Most textiles and textile materials are imported from China and Taiwan who are not members of the CPTPP. However, similar to the TPP phase, a number of enterprises (both domestic and foreign invested) have increased their investment in upstream industries in the textile and garment value chain such as yarns and textiles, dyeing; Hyosung Istanbul Tekstil textile project (Turkey - USD 600 million), Polytex Far Eastern yarn and fabric project (Taiwan - USD 274 million), 3,500 billion invested in 9 projects of yarn and 9 textile dyeing projects of Vinatex ... The wave of welcoming the former TPP has created a big boost for the yarn and textiles industry, which doubled the yarn industry's output over 2015, but then slowed down quickly as TPP could not finish negotiations and the US withdrew from this agreement. Thus, to some extent, CPTPP will help motivate firms to invest more and more in yarns and textiles.

BSC evaluates the impact of CPTPP on the textile and garment industry in general and also listed garment enterprises is not significant. Even if the United States negotiated some better terms to return to the agreement, it would take a long time. However, we still consider that this is still an opportunity for the garment industry to draw more attention from investors. At the moment, the textile and apparel stocks are trading at a forward P/E of 11.3x, slightly increased from the median forward P/E of 2016 10.2x while the VN-Index has been rated higher from P/E 14.8x increasing to 16.4x.

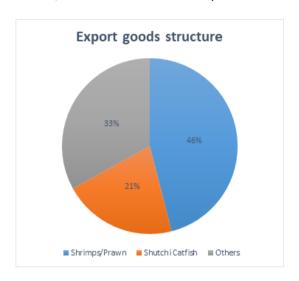
Notable stocks: VGT, VGG, TCM, TNG

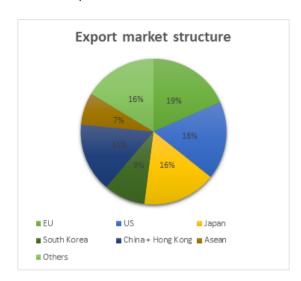


Aquaculture - Minimal Impact

America is no longer the seafood export market of Vietnam

EU has risen to the top position in Vietnam's largest seafood export market, followed by the US, Japan and China. Exports of aquatic products to the EU market reached \$ 1.215 billion (+ 21.2% yoy). Meanwhile, seafood exports to the US slowed down and declined slightly by -2.5% in turnover. The main reason is that the US Department of Commerce imposed high anti-dumping duty on shrimp and catfish, which reduced their competitiveness to their counterparts.





Countries in CPTPP account for about 23% of total exports

The countries in the CPTPP annually import approximately \$ 2 billion, equivalent to about 23% of total seafood industry turnover, of which Japan alone occupied about 15%. The export firms of shrimp, octopus and tuna to this market receive benefit, namely FMC.

Notable stocks:

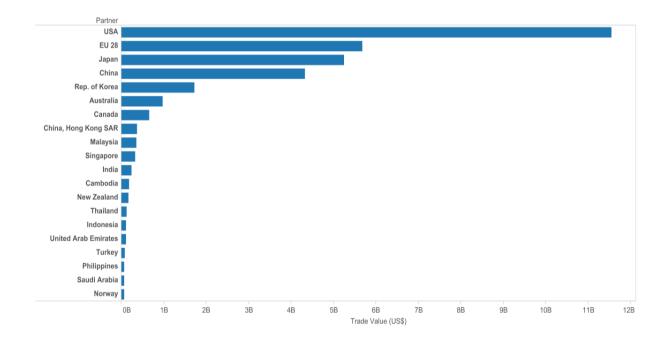
VHC. US and EU are two main export markets of VHC, accounting for 58% and 13% of VHC's total export turnover. However, in other markets such as Canada, Japan, Hong Kong, VHC's market share is high at 38.2%, 29.5% and 26.5%, respectively. It should be noted that most countries in the CPTPP have a bilateral trade agreement with Vietnam, only those with three countries Canada, Peru, Mexico are not available. Therefore, this is also a good base for VHC and seafood companies to diversify their markets of output.



Wood Sector – Minimal Impact

In the wood sector, the total export value in 2017 was estimated at \$ 8 billion, up 10% yoy. According to product structure, wooden furniture always accounts for over 50%. Other products such as wood for fuel, pulp and plywood are also increasing. Biggest regions include the United States, the EU, Japan, China and South Korea (The top 5 countries account for over 90% of total wood exports in 2017). Other major wood importers of Vietnam such as Canada, Australia, Malaysia, Singapore and New Zealand also joined the CPTPP.

In CPTPP agreements, the wood products are divided into 20 kinds of products smaller and 20 categories of smaller products and these categories are classified as tax-free immediately when the CPTPP Agreement is signed (the EIF group). However, in the top five largest importers of wood in Vietnam, only Japan participates in CPTPP.



For Japan, Vietnam is currently maintaining the Economic Partnership Agreement between Vietnam and Japan (VJEPA). Most of the wood products are classified as A (eliminate the tax from the date of signing VJEPA 1/10/2009). Other products from wood also close to 0% tax rate comply with the committed tariff reduction schedule from 2009. Therefore, the reduction of 0% may be insignificant to make a change on the demand of Japan. Therefore, the impact of CPTPP on the export of wood to Japan is not significant.

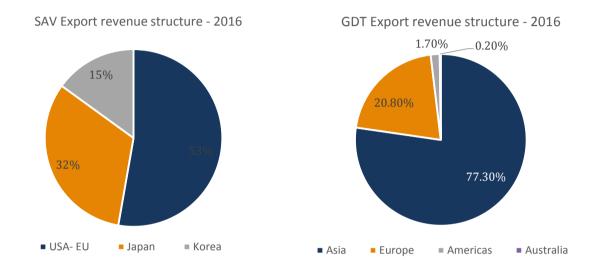
Other ASEAN countries are also present in the CPTPP and major wood importers from Vietnam include Malaysia and Singapore. For these two countries, the ASEAN Trade in Goods Agreement (ATIGA) has reduced tariffs on wood products to zero, so the CPTPP does not have a major impact on these countries. Similarly, Canada and Australia also introduced import duties on wood products to 0%.

Notice stocks



Impact of the CPTPP agreement 08/03/2018

In the listed companies, there are two typical exporters of wood such as SAVIMEX Joint Stock Company (SAV - HOSE) and Duc Thanh Wood Processing Joint Stock Company (GDT) - HOSE). Turnover of the company primarily came from wood exports, but the export market structure is quite different. Among the export markets of SAV and GDT, there are not many countries participating in CPTPP as well as unclear impacts. Therefore, as assessed of BSC, impact of CPTPP to wood industry and wood processing businesses is negligible.



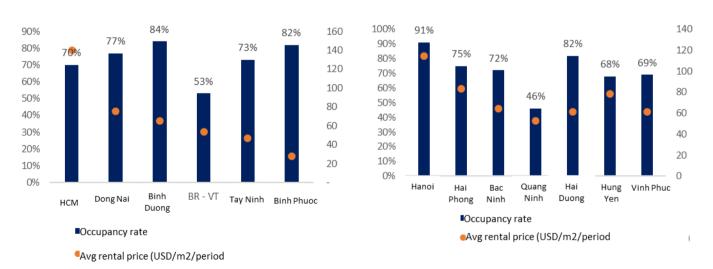


Industrial area - Minimal Impact

The trend of FDI inflows to catch up with trade agreements remains high at nearly the same level in 2017. BSC expected that it continue to grow with Vietnam's competitive advantage over other countries in the area included: (1) The cost of wages, land rental and related expenses: electricity, water, management fees are low, (2) good tax incentive policy (3) Demand keeps raising... Specifically, according to the Ministry of Planning and Investment, the total new registered capital in the first 2 months of 2018 was estimated at \$ 3.34 billion, equivalent to 98.2% over the same period of 2017. According to BSC's assessment, the CPTPP agreement with the absence of USA does not significantly affect FDI inflows to Vietnam, because the highest of FDI inflows in 2017 from Japan (25.4%), South Korea (23.7%), Singapore (14.8%). We note these countries have bilateral and multilateral agreements with Vietnam, while the USA only accounts for about 1.3% of total investment FDI in 2017.

In addition, with the policy to accelerate the disbursement of transportation infrastructure improvements of the Government, however, we follow that the progress of disbursement is quite slow so that some influence to attract more resources FDI in industrial zones. Industrial parks located in special economic zones, near ports and airports, have good incentives to be the destination of FDI inflows. By the end of 2017, according to JLL report, these provinces also have high occupancy rates such as:

- In the North, the rate of occupancy is Ha Noi (91%), Hai Duong (82%), Hai Phong (75%), Bac Ninh (72%),...
- In the South, the occupancy rate is Binh Duong (84%), Binh Phuoc (82%), Dong Nai (77%), Bac Ninh (73%),...



We find that there is a clear division of occupancy rates in some cities and provinces with convenient transport infrastructure, low rental rates, large IP land fund and favorable conditions. Good policy incentives, the rest have a relatively low absorption rate as Ba Ria Vung Tau (53%), Quang Ninh (46%),



Impact of the CPTPP agreement 08/03/2018

Hung Yen (68%), etc. Therefore, we expect the strong disbursement of real estate infrastructure this year will help IP enterprises to benefit well.

Related stocks: IDC, KBC, LHG.

Currently, the number of listed companies includes Vietnam Urban and Industrial Zone Development Investment Corporation (IDC), General Industrial Development and Investment Company (BCM), Kinh Bac City Development Share Holding Corporation (KBC), Tan Tao Investment and Industry Corporation (ITA), Long Hau Corporation (LHG), Sonadezi Long Thanh JSC (SZL), Industrial Urban Development JSC No.2 (D2D). According to BSC's assessment, the industrial enterprises in accordance with the conditions on site and residual growth to benefit thanks to CPTPP including three businesses IDC, LHG, KBC.

Ticker	Industrial zone	Location	Area of land (ha)	Occupancy rate (%)	Rental price (USD/m2)
IDC	Nhon Trach 1	Dong Nai	382	100%	65.0
	Nhon Trach 5	Dong Nai	309	80%	59.7
	My Xuan A	Ba Ria Vung Tau	302	99%	67.3
	Phu My 2	Ba Ria Vung Tau	621	74%	62.2
	Phu My 2 EXT.	Ba Ria Vung Tau	403	15%	62.2
	Cau Nghin	Thai Binh	184	8%	27.3
	Huu Thanh	Long An	524	0%	65.5
	Que Vo 2	Bac Ninh	269	24%	65.5
	My Xuan B1	Ba Ria Vung Tau	227	87%	54.6
	Kim Hoa	Vinh Phuc	50	100%	64.0
D2D	Nhon Trach 2	Dong Nai	331	100%	76
LHG	Long Hau 1	Long An	141	89%	100
	Long Hau 2	Long An	108	82.5%	100
	Long Hau 3	Long An	123	0%	100
SZL	Long Thanh	Dong Nai	307.5	80%	55
KBC	Que Vo 1	Bac Ninh	311	96%	60-65
	Que Vo 2	Bac Ninh	300	63%	60-65
	KCN Nam Son Hap Linh	Bac Ninh	432.5	0	57-66
	Quang Chau	Bac Giang	426	45.8%	60-65
	Trang Due 1	Hai Phong	187.8	99%	60-65
	Trang Due 2	Hai Phong	214.2	64%	60-65
	Trang Due 3	Hai Phong	687	0%	60-65
	Tan Phu Trung	HCM	542	26%	60-65
ITA	Tan Tao	HCM	343	90%	65-70
	Tan Đuc	Long An	275	90%	70
	Tan Đuc 2	Long An	270	30%	70

Source: BSC Research



Building Materials Sector - Minimal Impact

Cement industry

The impact of CPTPP on the cement industry is negligible as Vietnam's cement exports to the CPTPP countries are only about \$ 55.2 million (equivalent to 7.4% of Vietnam's cement exports). Export markets mainly cement Vietnam (25% of total consumption) is a developing country in neighboring areas such as Bangladesh, the Philippines, Malaysia, Peru ..., of which only 3 members of CPTPP are Peru, Malaysia, and Australia. In addition, currently these members are applying the 0% tax rate on cement products in Vietnam, so the motivation to increase export volume thanks to CPTPP for the cement industry is unclear.

Ceramic tiles industry

Cannot be assessed because there is no statistics on export markets of Vietnamese ceramic tiles.

However, the demand for ceramic tiles of CPTPP countries is not great. The largest consumer of ceramic tiles (except Vietnam) was Mexico with a demand of 235 million square meters, which is now self-sufficient in domestic and export markets. For some developed countries, the demand for ceramic tiles was not much due to the factors of climatic conditions and construction demand. Import tax on CPTPP member countries are ranging from 0-9%, and it will be exempted or be reduced to 0% as soon as the CPTPP becomes effective.

Steel industry

The countries in CPTPP are the main source of materials for steel production for Vietnamese enterprises. Australia is the main supplier of coal and ores to Vietnam, accounting for 25.7% and 22.9% of total imports. In addition, more than 50% of imported scrap iron and steel (used as raw material for electrical arc casting) also from the CPTPP countries.

Export turnover of iron and steel of Vietnam to CPTPP countries in 2017 reached about 545 thousand tons (valued at \$ 350 million) accounted for 11.5% of total exports (11% in value) concentrated mainly in the Malaysian market, significantly lower than the TPP while the USA also participated (Vietnam exports to the USA about 523 tons.

Steel export turnover of Vietnam by market

Market	11 mc	onths 2017	%		
	Vol (ton)	Value (thousand USD)	Vol	Value	
Total	4245000	2820000	100%	100%	
ASEAN	2488000	1516000	58.61%	53.76%	
USA	470950	379090	11.09%	13.44%	
EU	381210	279100	8.98%	9.90%	
Korea	255210	147660	6.01%	5.24%	

Source: VSA

The contribution of CPTPP to the steel industry in Vietnam is negligible: many members of CPTPP have signed bilateral and multilateral trade agreements with Vietnam. Australia is the main supplier of coal and iron ore to Vietnam has been reduced tariff to 0% after the Asean-Australia trade agreement.



Impact of the CPTPP agreement 08/03/2018

Related stock:

HPG: The negligible effect by raw materials imported from Australia was exempt, and products exported to the countries of CPTPP most have tariffs of 0%.

HSG: negligible impact from reducing tariffs on CPTPP countries.

NKG: negligible impact but NKG is not subject to anti-dumping duty of the Malaysian market.



Impact of the CPTPP agreement 08/03/2018

Banking – Minimal Impact

Banking is indirectly benefiting from free trade agreements. Compared to the TPP, Vietnam's benefits in joining the CPTPP can be reduced. Many experts predict that if the CPTPP agreement takes effect, Vietnam's GDP will grow by 1.32% (with TPP 6.7%), export growth will be 4% (with TPP 15%) and import growth will be 3.8% (with TPP of 10.5%). Therefore, along with the economic growth momentum, CPTPP will indirectly contribute to the growth of the banking sector through economic growth, credit demand and payment services, international trade through import, direct and indirect investment.

Insurance – Minimal Impact

With CPTPP, Vietnam's GDP is forecast to increase by 1.32%; for the life insurance sector, the number of new insurance is only 8%, the new premium accounts for only 1.12% of GDP, still relatively low compared to other countries in the region, therefore the potential growth of the life insurance sector will continue to be reinforced after the CPTPP. However, GDP growth is expected to be small, much lower than the TPP with the presence of US of 6.7%.

For non-life insurance, commodity exports are projected to increase by 4%, imports will increase by 3.8% thanks to expanding export markets by accessing three new markets - Canada, Mexico and Peru. Commodity insurance will benefit but the growth rate is small, relatively small compared to TPP (with TPP, export is expected to increase by 15% and imports by 10.5%).

Enterprises need attention:

BVH: small gains, mainly from growth in life insurance.

PVI: not benefiting from its major activity which is insurance of oil and gas assets, PVI will not benefit after Vietnam joins the CPTPP.

BMI: relative gain as BMI's key growth product over time are consumer-based financial products based on consumer loans, which are expected to continue to grow in line with GDP growth.



Petroleum – No Impact

CPTPP will not affect Vietnam's crude oil export and petroleum import

Crude Oil Export: The current import duty on crude oil according to ATIGA is 0%, similar to Singapore's crude oil import tax in CPTPP (0%) so CPTPP will have no impact on Vietnam's crude oil exports.

Petroleum imports: In 2017, Vietnam imported 12.86 million tons of petroleum (+ 9.4% yoy), mainly from: Singapore with 4.3 million tons (+ 7.6% yoy), worth \$2.16 billion (+ 34.3% yoy); South Korea with 3.03 million tons (+ 67.7% yoy) worth \$1.91 billion (+ 93% yoy) and Malaysia with 2.61 million tons (- 16.4% yoy) worth \$1.26 billion (+ 1.8% yoy).

In the Singapore and Malaysia markets, Vietnam has an ASEAN trade agreement (Decree 156/2017 / NĐ-CP) and the Korean market has a VKFTA free-trade agreement (Decree 149/2017 / ND-CP).

NK RON Tax 90 - 97	2018	2019	2020	2021	2022	
VK FTA	10%	10%	10%	8%	8%	
ATIGA	20%	20%	20%	8%	8%	

Meanwhile RON 90 – 97 oil import tax in accordance to CPTPP's tax schedule from year 1 to year 3 will be 20%, year 4-5 will be 8% each year. Therefore, CPTPP will not affect Vietnam's petroleum import.

Fertilizer - No impact

CPTTP virtually has no impact on the fertilizer sector

Vietnam's main fertilizer importing markets, also large fertilizer-manufacturing countries in the world are China, Russia, Belarus, Korea, which do not belong to the group of members in CPTTP. In addition, fertilizer import tax in Vietnam is currently at low level, preferential import tax is mainly 0%.



Source: The Customs of Vietnam

On the export side, Vietnam is still a net importer of fertilizers. In 2017, the total output of fertilizer exports of Vietnam was only 930 thousand tons while importing was up to 4,463 thousand tons (4.8 times higher than exports). Vietnam's main export markets are Cambodia (40% of its exports), Malaysia (15%), which are Southeast Asian countries and have their own tax incentives.



Plastics – No impact

Currently regarding Vietnam's plastics sector, Japan is the main importer of plastic products, accounting for more than 20% of total export value of Vietnam. At present, with the ASEAN trade agreements, ASEAN-Japan, the products of Vietnam have the tax rate of 0% when exported to this market.

Regarding input materials, Singapore, Malaysia and Japan contribute to about 12% of total import turnover of raw materials. Most of the resins currently imported from these countries enjoy low tariffs (PE is 0%, PP is 3%). Therefore, BSC deduces that CPTPP will have little impact on plastics businesses on the Exchanges.

Impact on some large listed companies:

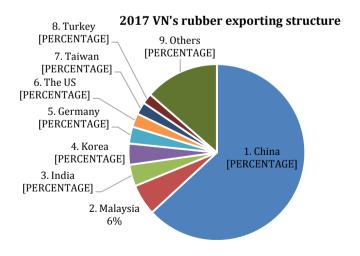
AAA: Insignificant impact due to Japanese import tax on plastic products is already at 0%.

NTP and BMP: insignificant impact as NTP and BMP's products are mainly consumed domestically.

Natural Rubber and Tires – No impact

We assess that CPTPP will not have much impact on the natural rubber and tires sectors, as the countries in the CPTPP coalition are not those with significant impact on these two sectors.

Vietnam's main export market is China, which accounts for more than 60%, followed by Malaysia (about 5%). In 2017, the export of rubber to Malaysia reached \$ 11.8 million. Therefore, BSC assesses that export volume of rubber to Malaysia may increase slightly, but the impact will be insignificant when the CPTPP officially comes into effect.

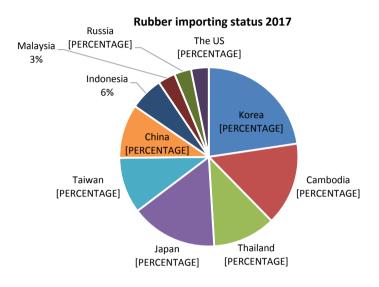


Source: General Statistics Office



Impact of the CPTPP agreement 08/03/2018

Major companies in the tires industry often import natural rubber and artificial rubber for production and business. Enterprises are mainly importing from Japan, Thailand, etc. Japan is one of the biggest countries exporting artificial rubber to Vietnam, mainly serving the needs to produce tire and car parts. However, rubber products from Japan are still tax-free, thus there is no impact on the tire industry when CPTPP is adopted.



Source: General Statistics Office

Sugar - No impact

CPTPP is considered to have no relative effect on the domestic sugar industry:

Regarding imports: Vietnam's imported sugar mainly comes from Thailand - the world's largest sugar exporter, at competitive prices. Given the close geographic proximity and tariff preferences according to ATIGA's commitment, the Thai sugar has superior advantages over imports from other sugar exporting countries in the CPTPP such as Australia, Malaysia or Mexico, etc.

Regarding exports: Currently, Vietnam's sugar products have also been exported to some countries in CPTPP such as Singapore but the volume of exports is negligible. In addition, these countries have already made free trade agreements with Vietnam before, thus it is expected that there will be no increase impact after CPTPP has been signed.



Impact of the CPTPP agreement 08/03/2018

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