

May 12, 2020

Fisheries & Pharmaceuticals Analyst  
Nguyen Thanh Danh  
danhnt@kbsec.com.vn

# Fisheries

## *Pangasius* exports to recover by 3Q

### Ministry of Agriculture & Rural Development expects full recovery in *pangasius* exports from 3Q

— The Ministry of Agriculture & Rural Development announced at a conference that it expects *pangasius* exports to fully recover from 3Q. Government officials and industry professionals met recently to discuss the impact of the coronavirus on *pangasius* production and consumption. The Ministry believes stabilization of export markets is currently underway in China and should expand to the US and EU by 3Q as these economies begin to reopen. The Directorate of Fisheries also confirmed that China export values turned positive in April and expects recovery in May. Export values for *pangasius* shipments were down 29% to USD334 million in 1Q. Weak selling prices at VND18,000 per kg continued to discourage farming and led to the 24% decrease in *pangasius* harvests to 180,000 tons and 6% drop in new farming area to 777 hectares during the quarter.

### Overall industry growth should turn positive by August should 3Q recovery become reality

— Growth in monthly export values for *pangasius* shipments should turn positive from August due to: 1) recovery in major export markets in 3Q; 2) removal of the 2019's high-base effect from 2H; and 3) the start of the EV FTA from June 2020. This assumes Vietnam's major export markets successfully reopen and resume imports. The hangover from 2018's *pangasius* bumper year was largely cleared in the 1H of 2019 and export values returned to normal levels in the 2H of 2019. Although the coronavirus will make it difficult for 2020 export values to exceed 2019 levels, previous year comparisons should prove to be less troublesome and the overall industry should revert back to positive growth from 2H. Moreover, recovery in export volumes should also be helped by the elimination of the 5.5% tariff on *pangasius* shipments to the EU when the EVFTA begins from June.

### Government focused on resolving overdue loans to support export recovery

— The Ministry of Agriculture & Rural Development is working with provincial governments and industry associations to ease any loan payments for Vietnam's *pangasius* exporters arising from delayed or cancelled orders during the COVID-19 pandemic. The Ministry also plans to coordinate with the Ministry of Industry & Trade to boost exports to China, Japan and other ASEAN countries as they lift pandemic restrictions as well as potential markets, such as Russia, India & Brazil.

## KB SECURITIES VIETNAM RESEARCH

---

**Head of Research – Nguyen Xuan Binh**

binhnx@kbsec.com.vn

### **Macro/Strategy**

**Head of Macro & Strategy – Tran Duc Anh**

anhtd@kbsec.com.vn

**Macro Analyst – Thai Thi Viet Trinh**

trinhhtt@kbsec.com.vn

**Market Strategist – Le Anh Tung**

tungla@kbsec.com.vn

### **Equity (Hanoi)**

**Head of Equity Research (Hanoi) – Duong Duc Hieu**

hieudd@kbsec.com.vn

**Information Technology & Logistics Analyst – Nguyen Anh Tung**

tungna@kbsec.com.vn

**Property Analyst – Pham Hoang Bao Nga**

ngaphb@kbsec.com.vn

**Power & Construction Material Analyst – Le Thanh Cong**

congltt@kbsec.com.vn

**Financials Analyst – Nguyen Thi Thu Huyen**

huyenntt@kbsec.com.vn

### **Equity (Ho Chi Minh)**

**Head of Equity Research (Ho Chi Minh) – Harrison Kim**

harrison.kim@kbfq.com

**Consumer & Retailing Analyst – Dao Phuc Phuong Dung**

dungdpp@kbsec.com.vn

**Fisheries & Pharmaceuticals Analyst – Nguyen Thanh Danh**

danhnt@kbsec.com.vn

**Oil & Gas & Chemicals Analyst – Nguyen Vinh**

vinhn@kbsec.com.vn

### **Research Marketing**

**Korea Marketing Analyst – Seon Yeong Shin**

shin.sy@kbsec.com.vn

## KB SECURITIES VIETNAM (KBSV)

---

### Head Office:

Levels G, 2 & 7, Sky City Tower, 88 Lang Ha Street, Dong Da District, Hanoi, Vietnam  
Tel: (+84) 24 7303 5333 – Fax: (+84) 24 3776 5928

### Hanoi Branch:

Level 1, VP Building, 5 Dien Bien Phu, Ba Dinh District, Hanoi, Vietnam  
Tel: (+84) 24 7305 3335 – Fax: (+84) 24 3822 3131

### Ho Chi Minh Branch:

Level 2, TNR Tower Nguyen Cong Tru, 180-192 Nguyen Cong Tru Street, District 1, HCMC, Vietnam  
Tel: (+84) 28 7303 5333 – Fax: (+84) 28 3914 1969

### Saigon Branch:

Level 1, Saigon Trade Center, 37 Ton Duc Thang, Ben Nghe Ward, District 1, HCMC, Vietnam  
Tel: (+84) 28 7306 3338 – Fax: (+84) 28 3910 1611

### CONTACT INFORMATION

Institutional Client Center: (+84) 28 7303 5333 – Ext: 2656  
Private Customer Care Center: (+84) 24 7303 5333 – Ext: 2276  
Email: [ccc@kbsec.com.vn](mailto:ccc@kbsec.com.vn)  
Website: [www.kbsec.com.vn](http://www.kbsec.com.vn)

## Investment ratings & definitions

---

### Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

### Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

Opinions in this report reflect the professional judgment of the research analyst(s) as of the date hereof and are based on information and data obtained from sources that KBSV considers reliable. KBSV makes no representation that the information and data are accurate or complete and the views presented in this report are subject to change without prior notification. Clients should independently consider their own particular circumstances and objectives and are solely responsible for their investment decisions and we shall not have liability for investments or results thereof. These materials are the copyright of KBSV and may not be reproduced, redistributed or modified without the prior written consent of KBSV. Comments and views in this report are of a general nature and intended for reference only and not authorized for use for any other purpose.