

Vietnam finds COVID at Samsung and Canon factories

More infectious Indian strain detected, threatening supply chain

TOMOYA ONISHI, Nikkei staff writer May 20, 2021 20:38 JST

HANOI -- Staff at more than 10 foreign manufacturers, including Samsung Electronics and Canon, operating in Vietnam have tested positive for COVID-19 by Thursday, raising worries that the global supply chain could be disrupted given the country's position as a key production hub.

Vietnam authorities said on Thursday they found 74 new cases of COVID-19, bringing the country's total to 4,764 cases. It is unclear how many of those cases were staff of foreign companies. But the two worst affected provinces, Bac Giang and Bac Ninh that are home to some 20 industrial parks and more than 20 industrial zones, are effectively in lockdown.

Vietnam has been battling another wave of infections since end-April. A total of 1,722 cases across the country has been reported since April 27, of which 59% were found in Bac Giang and Bac Ninh, northern provinces near the capital of Hanoi.

By Thursday, the two provinces said on their websites they had found infections, without specifying numbers, at facilities of more than 10 foreign companies operating locally. The National Institute of Hygiene and Epidemiology said the variant B.1.617.2, a strain first detected in India, was present in all samples taken from Bac Ninh and Bac Giang by Wednesday. Some scientists in the U.K. have said that the Indian variant was considerably more infectious than previous variants found.

The two provinces have now set up field hospitals with a total capacity of 1,000 beds to deal with the spike. Health experts and support staff from nearby cities and provinces have also moved to Bac Giang to help speed up mass testing to track down new cases.

Bac Ninh confirmed cases at the factories of Samsung, Johnson Health Tech, and Canon. Samsung's two plants in northern Vietnam handle more than half the company's global smartphone output.

Bac Giang Province found cases at facilities run by SJ Tech, Shin Yong, Samkwang Vina, MOA Tech, Hosiden, Sunergy, Fuhong Precision Component, and Luxshare- ICT.

Around 17,200 manufacturers are based in Bac Giang and Bac Ninh, according to the Ministry of Planning and Investment. Bac Giang has more than 240,000 workers while around 330,000 workers people work at factories in Bac Ninh.

While the two provinces are not in official lockdown, local authorities have ordered some companies and zones to shut temporarily.

Samsung's local suppliers in Bac Giang are among those. "At Samsung, we are making every effort to protect the health and safety of all our employees, partners and customers, and minimize impact on our operations," an official at the local unit told Nikkei Asia on Thursday.

The company said, though, that Samsung's factories in Yen Phong district in Bac Ninh are in operation. Canon, which was ordered to shut on May 9, will be allowed to resume operation on May 24, the local authority said on Thursday.

In Bac Giang, four industrial parks out of six were forced to shut down on May 18 after more than 320 cases were found since April 27. Meanwhile, Bac Ninh province also locked down some locations and imposed social distancing measures at others, including its eponymous main city.

Furthermore, the Bac Ninh industrial park authority on May 17 asked companies in the area to temporarily stop using workers from neighboring Bac Giang to curb contagion. Data shows around 30,000 people from Bac Giang work at Bac Ninh's industrial parks normally.

Meanwhile, authorities in Ho Chi Minh City, the country's southern commercial center, are also accelerating mass testing. The city has 17 export processing zones, industrial parks and high-tech zones where 1,500 companies employ some 280,000 workers.

The outbreaks come at a delicate time as Vietnam is set to hold general elections on May 23. After having been relatively successful in containing outbreaks last year, the country is now focusing on efforts to secure vaccines.

"Vietnam is willing to share its experience in COVID-19 prevention and control with other countries, and at the same time wishes to continue to receive support and help from other countries in this fight, especially in research and production," said Prime Minister Pham Minh Chinh on Thursday at Nikkei's Future of Asia conference.

Chinh said no country is safe until all countries are. "Therefore, the top priority is to ensure supply, equal and timely access to vaccines, while reducing barriers to copyright ownership, and promoting technology transfer for vaccine production in a timely manner."

Chinh on Tuesday signed a resolution to speed up the purchase of COVID-19 vaccines. Vietnam is behind other Southeast Asian countries in procuring vaccine doses. Strict quarantine measures had helped Vietnam curb COVID-19 cases until late April.