

BUSINESS FORUM MAGAZINE

VIETNAM **BusinessForum**

THE VIETNAM CHAMBER OF COMMERCE AND INDUSTRY - VCCI

VOL. 01, NO. 03 (1273), May 05 - 18, 2020
ISSN 1859-0632



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**FULCRUM OF FAITH, 57 YEARS DEDICATED
TO BUSINESS DEVELOPMENT**



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VIETNAM BUSINESS FORUM Published by VCCI

PHAM NGOC TUAN
EDITOR-IN-CHIEF

PHAM THE NAM
DEPUTY EDITOR-IN-CHIEF
In Charge of VIETNAM BUSINESS FORUM

BOARD OF ADVISORS

Dr. VU TIEN LOC

VCCI President & Chairman

Dr. DOAN DUY KHUONG

VCCI Vice President

PHAM NGAC

Former Ambassador to Five Nordic Countries

NGUYEN THI NGA

Chairwoman of Board of Directors, BRG Group

Designer: HOANG ANH

Sub-editor: STEVEN GROFF

HEAD OFFICE

4th Floor, 9 Dao Duy Anh St., Hanoi

Tel: (84-24) 35743985/35743063

Fax: (84-24) 35743985

Email: vbfhanoi@gmail.com; vbf@vcci.com.vn

Website: www.vccinews.com

SOUTHERN REP. OFFICE

171 Vo Thi Sau St., Dist.3, HCM City

Tel: (84-28) 39321099/39321700

Fax: (84-28) 39321701

NORTHERN REP. OFFICE

4th Floor, 208 De La Thanh St.,

Dong Da Dist., Hanoi

Tel: (84-24) 6275 4809

Fax: (84-24) 6275 4835

Chief Representative

NGO DOAN KHUYEN

JAPAN

2nd Floor, Hirkawacho-Koizumi Bldg.,

1-9-5, Hirakawacho, Chiyoda - ku,

Tokyo 102-0093

Tel: 81-3-5215-7040

Fax: 81-3-5215-1716

Chief Representative

AKI KOJIMA



Available on Vietnam Airlines

Licence No.58/GP-BTTTT dated February 18, 2020

Printed by the Trade Union Printing Company

PRICE: VND25,000



CONTENTS

VCCI

03 VCCI - Fulcrum of Faith, 57 Years Dedicated to Business Development

06 Standing United for Greater VCCI Development

08 Hurdles against Businesses Need to Be Cleared

BUSINESS

10 Banks See Profit Drop

11 Opportunities to Invest When Real Estate Market Bottoms Out

12 E-commerce Prevailing in a Time of Epidemic

14 WB Predicts Sharp Decline in Remittances in 2020

15 Actively Avoiding Trade Remedy Traps

16 Vietnam Fully Resumes Rice Exports from May 1

17 GDC Proposes Measures to Clear C/O Submission Obstacles Caused by Covid 19 Pandemic



SUSTAINABLE DEVELOPMENT

- 18** Applying Digital Technology to Improve Labor Productivity
- 20** Changing Criteria to Advance New Countryside Development
- 22** Fostering Internal Resources for OCOP Program
- 24** Vibrant Transformation of Ethnic Minority in Building New Countryside Development
- 25** Bringing OCOP Products to E-commerce Platforms
- 28** Accelerating Public Investment Disbursement
- 30** Quang Tri Economic - Industrial Zones: Open Wide to Investors
- 32** Consistent Solutions Needed for High Quality Human Training at SMEs in Nghe An

ENTERPRISE

- 34** Giang Dien Industrial Park: Customers Are the Center, Customer Success Is Motivational
- 36** Investing in Harder Land to Spread Greater Value

CULTURE & TOURISM

- 38** Domestic Tourism to Bounce Back as Social Distancing Eases
- 39** Online Tourism Adapts to Changes





VCCI President Vu Tien Loc presents "Productivity Cup" to Prime Minister Nguyen Xuan Phuc, demonstrating the commitment of the business community in pursuit of sustainable development

VCCI

FULCRUM OF FAITH, 57 YEARS DEDICATED TO BUSINESS DEVELOPMENT

Dr. VU TIEN LOC

CHAIRMAN AND PRESIDENT VIETNAM CHAMBER OF COMMERCE AND INDUSTRY

On April 29, 1960, the Standing Committee of the Council of Government endorsed the establishment of the Chamber of Commerce of the Democratic Republic of Vietnam and, after nearly three years of preparation, on March 14, 1963, the First Congress of the Chamber of Commerce was held in Hanoi, attended by 93 initial members, mainly importers and exporters. The Congress adopted the Charter, and elected the Board of Administration to run its operations. The outcome and the Charter of the Congress were ratified by the Council of Government in Decision 58-CP dated April 27, 1963, signed by Prime Minister Pham Van Dong. And April 27, 1963, entered into the history of Vietnam's economy and business community as the founding date of the Vietnam Chamber of Commerce and Industry (VCCI).





VCCI President Vu Tien Loc (right) presents the book *Uncle Ho and Enterprises and Entrepreneurs* to Party General Secretary, President Nguyen Phu Trong

For more than half a century, in spite of numerous changes and difficulties, and in all circumstances, VCCI has made significant contributions to the development of the Vietnamese economy, business community and entrepreneur force.

The first period from 1963 to 1975 witnessed VCCI's organizational construction and operation in the time of war. At that time, VCCI primarily performed two important tasks: Promoting trade and investment, and promoting the relations of Vietnamese enterprises and economy with other countries; and participating in the legal and political struggle against economic encirclement and embargo.

In the second period from 1975 to 1982, after southern Vietnam's liberation, VCCI took over the Saigon Chamber of Commerce and Industry, set up the Ho Chi Minh City Branch and expanded operations across the country, but VCCI was still operated under the subsidy mechanism.

In the third period from 1983 to 1992, VCCI gained financial and operating autonomy, as the country adopted the market economy.

In the fourth period from 1993 to now, VCCI has become a national agency advising the Party and the State on economic and business development and acting as a representative to protect the legitimate rights and interests of, and support, the Vietnamese business community operating in market mechanism-perfecting conditions and deepening international economic integration. During this period, VCCI has made robust changes in organization and operation to meet growing requirements of the economy and the business community. VCCI has expanded the network of branches and representative offices in key economic zones and established close relationships with domestic and international business associations and related organizations to expand its operations and influences. VCCI has gathered a large business community and business associations (both direct and indirect) representing nearly 800,000 businesses across the country. VCCI has also established close cooperative relations with nearly 200 international partnership organizations to support enterprises in reaching out to the global market. VCCI is an active member of the

International Chamber of Commerce (ICC), the World Chambers Federation (WCF), the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) and ASEAN Chambers of Commerce and Industry (ASEAN-CCI), and international and regional employer federations.

VCCI took the lead in studying and popularizing President Ho Chi Minh ideology among enterprises and entrepreneurs (2003); coordinated with business associations to propose that the Prime Minister take October 13 as Vietnam Entrepreneurs' Day, gave the message "Entrepreneurs - peacetime soldiers" to inspire entrepreneurial spirit in society, and presented the Thanh Giong Cup, Golden Rose Cup, Corporate Social Responsibility Award and other prestigious awards to honor outstanding Vietnamese entrepreneurs. VCCI made important contributions to building viewpoints, policies and legal foundations concerning the Vietnamese business environment, based on the generation of favorable conditions for the development of enterprises and entrepreneurs, by taking part in the construction and organization of the Law on

Enterprises (1999, 2005), the Law on Investment (2005), the Resolution of the Congress of the Party Central Committee (Tenure XI, XII) on Private Economy and Resolution 07-NQ/TW of the Politburo on International Economic Integration guided by the socialist-oriented market economy. VCCI also made proposals, recommendations, guidelines and schemes for WTO, CPTPP, EVFTA negotiations, international treaties and other important policies of the Party and the State. In particular, VCCI proactively proposed and directly participated in, and the President of VCCI was assigned as Head of the Editorial Board, of the project to submit to the Politburo for promulgation of Resolution 09/NQ-TW dated December 9, 2011, on "Building and promoting the role of Vietnamese entrepreneurs in the period of industrialization, modernization and international integration" - the first ever document of the Party and the State which confirms the roles of entrepreneurs, and the viewpoints, policies and solutions on entrepreneur force development, together with the working class, peasants and intelligentsia, in the new context. With the proposal of the President of VCCI at the National Assembly, for the first time, the role of entrepreneur was constitutionalized in the 2013 Constitution. In 2019, VCCI also successfully completed the State-level political theory research project of the Central Theoretical Council on "Enhancing the competitiveness of Vietnam's economy: the situation, issues and solutions" contributing to the theoretical basis for documents of the 13th National Party Congress. In addition to building and implementing Scheme 30 on administrative reform initiated by the Government, VCCI studied, announced, supported and advised provinces and cities to improve provincial competitiveness index ratings, create emulative movements, and enhance the quality of economic governance and reform of local authorities to better serve business activities of citizens and enterprises.

VCCI publishes the Annual Business Report and other regular reports about businesses. VCCI also chairs and co-chairs many important, prestigious policy dialogue forums on major economic and business affairs in Vietnam, like the Meeting between the Prime Minister and Business Executives (in collaboration with the Office of Government and Ministry of Planning and Investment), National Conference on

Sustainable Development (in collaboration with the Office of Government), and Vietnam Business Forum - VBF (in coordination with government agencies, IFC, WB and VBF Consortium - a group of domestic and foreign business associations). Many important business executive forums were also successfully organized by VCCI such as APEC CEO

Summit (2016, 2017), Vietnam Business Summit, ASEAN - EU Business Summit, Global Summit of Women, ABAC Meeting, ASEAN BIS, ASEAN BAC Meeting and Greater Mekong Subregion (GMS) Business Summit, and others. And, VCCI also hosted many business forums attended by leading CEOs, the heads of State and heads of Governments from many countries around the world.

In startup promotion, training and business support, VCCI has taken the lead in launching the "National Startup Program" and building a network of small and medium enterprise and startup support centers in the country and in foreign countries. The Start and Improve Your Business (SIYB) Program - a joint effort between VCCI and the International Labor Organization (ILO) - is being deployed in most provinces and cities in the country, which has been seen as the earliest and largest training support program of international standard for small and medium enterprise in Vietnam. Business Executive Administration Training Programs in collaboration with GIZ (Germany) and INSEAD (European Institute of Business Administration - one of the world's largest and most prestigious business schools) in collaboration with EuroCham, and with the Keidanren (Japan), are top-rate advanced business training programs in Vietnam held very early by VCCI with the hope of shaping governance thinking and skills for large enterprises in Vietnam.

VCCI has hosted many large trade and investment promotion activities to bring Vietnamese exports to the world and bring foreign investment projects into Vietnam. Business delegations accompanying Party and State leaders during State visits to foreign countries and attending business forums, dialogues, seminars and conferences in foreign countries, organized by VCCI in the framework of such visits, are practical national-level promotion activities to introduce the country, the people and the economy of Vietnam.

With respect to strengthening business linkages, building corporate culture and corporate social responsibility, VCCI has established the Central Council for Vietnamese Businesses, Vietnam Employers Council, Vietnam Business Council and Office for Sustainable Development, Vietnam Women Entrepreneurs Council, Vietnam Family Business Council, Entrepreneurial Culture Center and a series of information, consulting, training and business support activities to build corporate culture, harmonious labor relations and promote corporate social responsibility.

Every year, VCCI directly takes part in compiling and contributing ideas to over 60 draft laws, organizes over 500 conferences and workshops on legislation and policy, organizes over 1,500 training courses for more than 80,000 businesses, receives above 350 foreign business delegations and 20,000 foreign entrepreneurs visiting Vietnam, organizes nearly 150



**President of the Vietnam Fatherland Front Central Committee
Tran Thanh Man at working visit to VCCI**

delegations for over 7,000 enterprises to visit and survey foreign markets and seek business and investment opportunities, hosts nearly 600 workshops, seminars and business meetings for over 80,000 businesses, and grants hundreds of thousands of certificates of origin (C/O) for exports and other commercial documents. This represents an enormous workload relative to the size

and modest financial resources of VCCI.

Looking back on our 57-year development history, we can be proud of the enormous and significant contributions that generations of VCCI staff members have made to advance the cause of doi moi (renovation), to develop the economy and business community. VCCI has been bestowed the First-Grade Ho Chi Minh Order, First-Grade Independence Order, First-Grade Labor Order, and many other noble honors. VCCI is rated by the International Chamber of Commerce (ICC) as one of the most dynamic chambers of commerce and industry in developing countries. VCCI President Vu Tien Loc has been elected to the current General Council of the World Chambers Federation (WCF).

However, we also see that, on the unprecedented road where there are no available models for us to follow and in the context of economic transition with many local characteristics, VCCI cannot avoid all shortcomings and imperfections. The voice of the business community and the policy advisory of VCCI for many important economic issues of the country are not strong enough. The interaction with business associations is not enough. Some trade and investment promotion activities lack professionalism. The functions of representing employers and supporting the construction of harmonious labor relations, promoting sustainable and creative economic development, fall short of expectations in some aspects. And, generally speaking, to meet what the business community and the economy require, VCCI has to try harder to attain more achievements.

The economy and business community are entering a new, post Covid-19 pandemic stage of development where the requirement for a modern, creative, inclusive and sustainable economic structure becomes vital, and VCCI and its members face the same demand. Upholding the tradition of solidarity, dynamism and creativity, VCCI will continue to work as a powerful, responsible and modern chamber of commerce and industry, and a strong social, political and professional agency of the business community and businesspeople; to excellently accomplish tasks entrusted to it by the Party and the State.

On the 57th anniversary of VCCI's establishment, I, on the behalf of VCCI leadership, would like to extend our special thanks to State and Party leaders for continuous guidance and support for VCCI operations in the past time, to the business community and organizations for their constant partnership and cooperation with VCCI, and to VCCI staff members, from generation to generation, for their wholehearted devotion and efforts for VCCI development. With that cooperation and support, VCCI will certainly become the fulcrum of trust of the business community on the journey to build a powerful and prosperous Vietnam.

Thank you very much!



Standing United for Greater VCCI Development

“Vietnam's economy and business community will face unprecedented opportunities and challenges as the shift toward a modern, innovative, inclusive and sustainable structure becomes vital,” said Dr. Vu Tien Loc, President of the Vietnam Chamber of Commerce and Industry (VCCI).

ANH MAI

Upholding the tradition of solidarity, dynamism and creativity, VCCI has truly transformed, restructured and renovated to reach standards of a modern chamber of commerce and industry - a powerful political, social and professional agency representative of the business community and the entrepreneur force - that has successfully completed all tasks assigned by the Party, the government and the business community.

To accomplish those missions, VCCI has worked together closely with the business community in the past difficult period.

To learn about difficulties caused by the Covid-19 pandemic, VCCI conducted a survey of businesses to collect and integrate their opinions to submit them to the Prime Minister on February 25, 2020. VCCI reported on their hardships, proposed long-term solutions and recommended 12 short-term urgent solutions to help them get

through the tough time.

Then, given the increasingly complicated development of the pandemic and more difficulties against businesses, on April 3, 2020, the VCCI President held an online meeting with leaders of nearly 100 domestic and foreign trade associations to learn about the implementation of the Prime Minister's directives, new impacts of the Covid-19 epidemic on business operations and capture proposals and recommendations from the business community. Having collected opinions from trade associations and businesses, in addition to solutions launched by central and local authorities, the VCCI President sent another official document on some new business support solutions to the Prime Minister.

These proposed solutions are designed to facilitate production and circulation of products; and postpone and reschedule taxes, social insurance, fees and charges for businesses. Credit and wage policies need to be based on practical situations.

According to Dr. Loc, it is uncertain when the epidemic will be over, but it is certain that its impact on the economy will be lasting and cannot be addressed as soon as it ends. A lot of hardships against businesses are still on the way.

What concerns VCCI most is jobs, not only during but also after the epidemic outbreak. The International Labor Organization (ILO) projected that Covid-19 will cause 25 million people to lose their jobs. Many international agencies even forecast higher numbers. Economic restructuring and business transformation, after Covid-19, will deepen this trend. Digital transformation and robotic trends will surely be strengthened. Online trading and online economy will take the throne. The domestic market and the internal production network of economies will be taken more seriously.

International trade and investment will be reversed - Capital flows of developed economies tend to return to home countries. International investment will be more decentralized to disperse risks. The synergized impact of technology, trade war and Covid-19 will paint a global economic picture with new colors and shapes. That will greatly affect production and business plans of enterprises, especially small and medium-sized enterprises, which are more vulnerable to external changes.

According to Dr. Loc, Vietnam will have the opportunity to receive new higher-quality capital flows in a decentralized investment strategy that aims to diversify supply sources to avoid excessive dependence on a market of transnational corporations. Vietnam has available advantages in terms of geography, geopolitics, market size and resources. But, in order to make good use of this opportunity, the country is facing requirements for improving institutional quality, human resources and infrastructure to get new investment flows. Challenges are also greater, as the automation trend increases and career opportunities in labor-intensive industries will shrink. Employment for millions of skilled workers is low. It is a challenge to create jobs in garment-textile, leather-footwear and electronics industries - key job generators in the economy, while millions of workers are being freed from low productivity agricultural areas every day. The employment mission places this weight on the shoulders of the entrepreneur force and the responsibility of VCCI now.

Celebrating its 57th founding anniversary (April 27, 1963 - April 27, 2020), more than half a century of twists and turns, VCCI has made great contributions to the economic, business and entrepreneur development of Vietnam under all circumstances. And, no matter what happens, the business community and domestic and international organizations always stand side by side with VCCI. ■



The government is gradually easing social distancing measures, reopening markets and reactivating the economy and we are returning to work as usual. Your workload may be 2 to 3 times higher to make up for what has been lost during the time off. And we will also be more creative to change our own systems and the way we work. The post-pandemic world will be no longer the world of yesterday. The economy and the business community will be moving towards new business models and more responsible global value chains. As a national agency representative of entrepreneurs, VCCI must rise to fulfill well heavy but glorious tasks: Contributing to institutional building, and protecting and promoting business community development.

The overwhelming quality and the virtue of VCCI have always been the culture of solidarity, sharing, boldness and creativity for nearly 60 years. Hopefully, that tradition will continue to shed light on the way we and the business community and entrepreneurs follow to make a successful restart.

An excerpt of the letter by VCCI President Vu Tien Loc delivered to staff on the 57th anniversary of VCCI



Hurdles against Businesses Need to Be Cleared

The Provincial Competitiveness Index (PCI), a measure of economic governance quality designed to promote business development, has shown an important shift of thinking in Vietnam. However, to improve PCI, localities need to solve many bottlenecks.

GIANG TU

Small businesses are respected

Developed by the Vietnam Chamber of Commerce and Industry (VCCI) and the United States Agency for International Development (USAID) and piloted in 2005, PCI assesses provincial administration quality from the perspective of private enterprises, not only an important source of reference information for investors to make investment decisions, but also an expression of the satisfaction of private enterprises with administrative procedures, administration quality and government operations from provincial to grassroots levels.

With this index, businesses who receive public administrative services will have the right and responsibility to assess service quality. This is an effort to empower private micro, small and medium-sized enterprises in Vietnam.

Business strategy consultant Do Thanh Nam said, thanks to PCI's independent transport channel, businesses can easily report problems they encounter in doing business in the locality and reflect their difficulties to government agencies.

Besides, PCI provides information to provincial/municipal leaders to capture objective reflection from the business community. Then, they will feel pressure and impetus to push for stronger and more appropriate reforms. Elected bodies such as the National Assembly and Provincial People's Council may use PCI survey results for their effective monitoring and questioning activities.

Previously, localities only focused on

increasing policies on tax incentives and land or advertising geographic strengths, infrastructure and labor resources. Nowadays, with detailed analysis of the PCI reports, they must look back to pay more attention to administration quality and advantages of administrative procedures - factors that directly affect business development.

Mr. Nam also said that, with PCI, private SMEs are respected instead of being disregarded as previously. They can express their opinions, supervise the operation of local governments at all levels. Dong Thap, Lao Cai, Binh Duong and Quang Ninh are highly appreciated by domestic private enterprises although their geographical position is not favorable or their infrastructure is less developed than many other localities. PCI reports have promoted learning and sharing of good experiences among localities across the country.

Unofficial costs remain a bottleneck

A matter of concern in PCI 2018 was 'petty corruption' - unofficial costs borne by businesses for quicker application and delivery of administrative procedures. This indicator fell to the lowest level in five years; however, 54.8% of enterprises said that they still had to pay this type of informal cost. According to the report, 'serious corruption' - the facilitation cost paid to speed up land procedures - showed a slight decrease but up to 30.8% of businesses had to pay it.

Especially, the business environment is more

PCI 2019 Index Announced Online

On May 5, 2020 in Hanoi, the Vietnam Chamber of Commerce and Industry (VCCI) in collaboration with the United States Agency for International Development (USAID) announces the Provincial Competitiveness Index (PCI) 2019. Due to the Covid- 19 pandemic, the announcement will be made online at www.pcivietnam.vn and www.vcci.com.vn.

This 15th edition is based on feedback from nearly 12,500 businesses in Vietnam, including about 11,000 private enterprises in 63 provinces and cities and over 1,500 foreign-invested enterprises (FDI) in 21 localities in Vietnam. This is a random sampling, scientifically conducted according to the world's high standards. The PCI survey can be considered the largest, most elaborate annual business survey in Vietnam that illustrates the perception of the business community about the business environment in Vietnam.

Especially, for the first time, the PCI report analyzes automation and digitalization trends in manufacturing and service delivery of Vietnamese businesses and forecasts the impact of this trend on labor and employment in the future.

equal than last year, but still 32.4% of respondents said that “the province's preference for State-owned corporations makes it difficult for them to do business” and 55% said that this act is a hindrance to recipients themselves.

Mr. Dau Anh Tuan, Director of the VCCI Legal Department, said that local governments need to pay more attention to small businesses, with practical programs such as supporting capital access, land access, customer and partner search. This group of business is the future of Vietnam's economy and they are facing difficulties.

He questioned: “Localities have successfully carried out relatively easy reforms, such as simplifying business registration, investment licensing procedures but they are fraught with difficulty in handling bigger reforms relating to land and cross-sector cooperation. Are they tied to institutional framework? Is institutional ceiling constraining them and hindering them? Do they need stronger breakthrough or stronger initiatives? These are important questions.”

Needless to say, the Provincial Competitiveness Index (PCI) provides a lot of useful information for localities to understand their strengths and weaknesses to make timely improvement. Although they have different situations, most provinces and cities are stuck in some common bottlenecks. For example, many businesses still have to pay informal charges to officials, inspectors. Larger reforms related to land and coordination among related sectors are still tough and slow. In addition, post-registration is still a burden for enterprises.

In the coming years, each locality needs to capitalize on the PCI analysis to apply appropriate and timely solutions to their actual situations to solve existing problems, thus building a transparent public administrative operating system, creating favorable conditions for businesses to develop and attract investment, and contributing to social security and economic development.■

10 MAIN PCI BENEFITS

1. **Creating motivation for improvement:** The greatest impact of PCI is to help municipal/provincial governments improve the quality of economic management to create a favorable environment for the business community.

2. **Changing the mindset:** As a measurement of governance quality, PCI helps change the mindset of provinces and cities: It is necessary to focus on administration quality reform - an important activity that needs to be prioritized for continuous implementation.

3. **Providing evidence-based information:** The PCI annual survey provides a lot of information about the local business environment, which is an important basis for investors and investment promotion agencies to use for investment and business decisions.

4. **Promoting dialogues:** PCI is the voice of businesses on their local issues. PCI information will promote government-business dialogues.

5. **Empowering businesses:** PCI is the strong voice of private enterprises on important issues in the business environment that the government needs to change.

6. **Effective channel helps reduce harassment in resolving administrative procedures for businesses:** From business feedback, PCI helps identify harassment in resolving administrative procedures in each specific area, with many

indicators that can be monitored over time, to send them to provincial or municipal government for solutions.

7. **Enhancing transparency:** PCI reports and data are publicly posted and updated on the PCI website, accessible to investors and other entities to study and assess the business environment in all provinces and cities across the country.

8. **Communicating reform ideas:** PCI encourages and spreads reform models in Vietnam from successful localities to many other ones. Typical recent replication models include the single-window mechanism in investment procedures at the provincial level, Department and District Competitiveness Index (DDCI) and business coffee talks.

9. **Promoting the use of empirical evidence in policy formulation and enforcement:** With PCI, Vietnamese provinces and cities have become familiar with how to develop, monitor and evaluate evidence-based policy effects. PCI survey data have been widely cited in provincial policy reports and documents.

10. **Orientating public investment:** From PCI survey results, especially the information on the quality of administrative procedures, many localities have more incentives and appropriate public investment approaches like thoroughly applying information technology, building websites or software for business transactions.

Banks See Profit Drop



Credit growth in the first months of 2020 was lower than in the previous year, according to data released by the Credit Department under the State Bank of Vietnam (SBV). Specifically, the growth was 0.1% in January, 0.07% in February and 1.3% in March. As of April 16, the growth was 0.78% over the end of 2019 and 3.18% over the same period of 2019. Credit growth in agriculture, forestry, fisheries, construction, and trade services decreased from a year ago.

QUYNH ANH

Debt restructuring

According to a preliminary report by the SBV, outstanding debt affected by the Covid-19 pandemic was estimated at VND2,000 trillion (US\$87 billion), accounting for 23% of the system's total outstanding loans, mainly locked in industrial processing, manufacturing, construction, accommodation, catering, services, education and training fields.

Mr. Nguyen Quoc Hung, Director of the Credit Department of the SBV, said that given current developments, the bad debt ratio of the whole system will have certain changes in 2020 and will affect the progress of debt restructuring and bad debt settlement conducted by credit institutions and plans to revive weak credit institutions.

In order to promptly tackle hardships for borrowers affected by the pandemic, the SBV has adopted many measures on monetary, exchange rate and interest rate, and issued many documents to guide credit institutions to this effect. So far, VND62,835 billion of debt has been restructured for 166,544 customers to keep them in existing debt categories. Interest rates have been slashed or exempted for 14,368 customers with an outstanding loan of VND12,319 billion. Interest rates have been lowered for 289,204 customers with a loan balance of VND948,407 billion. The total value of interest rates reduced is projected at VND3,530 billion. New soft loans, estimated at VND511,230 billion, have been arranged for 146,571 customers. The Vietnam Bank for Social Policies (VBSP) has extended the debt of 102,930 customers, with a loan balance of VND2,815 billion, and arranged new loans of VND18,825 billion for 516,688 customers.

At the online conference on "Enhancing bank credit to support businesses and people to surmount difficulties caused by the Covid-19 pandemic", Mr. Han Ngoc Vu, General Director of Vietnam International Commercial Joint Stock Bank (VIB), said, the bank reduced interest rates on VND2,400 billion of outstanding loans for 2,800 customers. According to VIB's calculations, 8,300 customers, with a total outstanding loan of VND5,500 billion, will enjoy rate cuts this year. So far, 700 customers have their loans of VND600 billion restructured. VIB is currently processing VND6,600 billion of loans for 4,700 customers in the next four weeks.

Mr. Nguyen Duc Vinh, General Director of Vietnam Prosperity Joint Stock Commercial Bank (VPBank), also said that VPBank has more than 80,000 customers affected by the pandemic. A third of credit balance was borrowed by people affected by the Covid-19 epidemic. Nearly 150,000 household businesses borrow VND50-200 million each. In some provinces, 60% of them shut down, even though they are in little-affected industries. If the pandemic persists, the impact will be very strong in the coming time.

"Regarding debt restructuring, as of April 21, VPBank handled the debt structure and extended debt for more than 6,000 customers, including lowering interest rates for more than 2,000 customers and offering over VND trillion of loans to more than 3,000 customers. Currently, more than 10,000 customers are waiting for VPBank to restructure their debts," he added.

Profit decline

Mr. Le Duc Tho, Chairman of the Board of Directors of Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank), said that VietinBank planned to lower interest rates by as much as 2-2.5% for essential fields such as electricity, running water, industrial water, medical equipment manufacturing, medicine and tonic production, for businesses with credit relationship with VietinBank, for supermarkets and convenience stores. For other entities, the lender will consider the level of impact to reduce the interest rate by 0.5-1.5%. VietinBank may see its profit reduce by

(continued on P.29)

Opportunities to Invest When Real Estate Market Bottoms Out

Negative impact

A survey conducted in late March 2020 with the participation of 1,100 brokers, who are customers of Batdongsan.com.vn, yielded remarkable results. Currently, 97% of brokers surveyed said that the number of transactions decreased during the pandemic, 75% recorded a decrease in the supply of goods and about 64% believed in the recovery of Vietnam's real estate market by the end of 2020.

According to Mr. Nguyen Quoc Anh, Deputy General Director of Batdongsan.com.vn, the level of interest in real estate is the lowest in the past three years, down 23% from the same period in 2019 and down 18% compared to the fourth quarter of 2019. In particular, the real estate market of the Central region decreased by 46% compared to the same period of 2019. The land segment was most affected with a 30% reduction in interest compared to the fourth quarter of 2019. With real estate for rent, the interest in townhouses decreased by 35% compared to the last quarter of 2019.

Dr. Nguyen Duc Thanh, former Director of Vietnam Institute of Economic and Policy Research (VEPR), said that the real estate market was negatively affected in both supply and demand. Real estate prices tended to fall across all segments. The difficulty of the market was also reflected in the proportion of real estate enterprises ceasing their business and enterprises dissolved in the first quarter of 2020 increasing by 94% and 69%, respectively, compared to the same period last year.

Mr. Nguyen Van Dinh, Deputy General Secretary of Vietnam Real Estate Association, Vice President and General Secretary of Vietnam Association of Realtors, said that in the first quarter of 2020, the number of new sales was relatively small; the number of newly registered real estate enterprises decreased; the number of suspended or dissolved enterprises doubled in comparison with the same period last year; many brokers had no income; and investors postponed or canceled sales plans.

Resilience

According to market surveys and information, most real estate transactions and events such as promotions, marketing, opening new sales of investors and exchanges must be canceled or delayed for the past three months. However, the demand for buying and investing in real estate always exists, some investors are also looking for opportunities to "catch the bottom" of the market.

A survey based on data of Batdongsan.com.vn, Vnexpress and General Statistics Office showed that up to 29% of

Although the Covid-19 pandemic has hit Vietnam's real estate market hard, the demand for investment and real estate ownership is still high, promising a rapid recovery for the whole market in the future.

HUONG LY

respondents still chose real estate as an effective investment channel in the context of complicated Covid-19 developments. This ratio is overwhelming compared to other investment channels such as savings deposits (24%), gold (17%), and securities (12%). This is not difficult to understand because according to Vietnamese, real estate is not only an asset that can increase in price over time but also a channel to store and ensure asset value.

The research of Batdongsan.com.vn also shows the superiority of the profit of real estate investment compared to other investment channels. From 2010-2020, the price increase in Ba Dinh district of Hanoi reaches 335%, while the price increase in District 5 of Ho Chi Minh City is 213%. Meanwhile, in the same period, the price increase of gold only reaches 22% and the VN-Index is 45%.

According to Dr. Nguyen Duc Thanh, if the pandemic goes away without causing great damage to the economy, the real estate industry will recover relatively quickly compared to other markets (transportation, production). In essence, the pandemic affects only movement and travel, but the basic human needs remain the same and these needs have been compressed during the pandemic. Moreover, the Government's measures focus on expanding aggregate demand through rapid and large public investment policies after the pandemic to restore economic growth. This policy will have good influence on the real estate and construction materials markets, which may create a "leap forward" in these industries.

Mr. Nguyen Quoc Anh predicted that if the pandemic is controlled in the second quarter of 2020, the real estate market could recover in the fourth quarter of 2020. Real estate projects and investors still need to invest more in quality, utilities, green and environmentally friendly living space. In particular, the reasonably priced real estate will still be well received by buyers.

"The current difficulty is only short-term and it is an opportunity for the market to remove weak projects, investors and businesses," said Mr. Nguyen Van Dinh. Enterprises can spend this time focusing on feasible projects, restructuring business activities, and overcoming weaknesses to have higher growth when the market recovers.

According to Mr. Nguyen Le Hai Dang, Senior Director of the Meyland Training and Strategy Development Department, as the State Bank has begun to reduce interest rates, and oil prices are falling, real estate is still the optimal investment channel. However, customers and investors will be more cautious when selecting projects with high legal security, real estate valued at real costs, reasonable prices and potential for high price increases in the future. ■



Prevailing in a Time of Epidemic



As requested by the Prime Minister, the Ministry of Industry and Trade (MOIT) launched an action program which includes the introduction of e-commerce management and development in Vietnam and directed e-commerce platforms to review products, fight against fake goods, and prioritize the display of anti-epidemic products and essential supplies provided in the time of the Covid-19 epidemic.

QUYNH CHI

The world is entering an unprecedented time as the Covid-19 outbreak is causing intensive impacts on every aspect of economic and social life across the globe.

In Vietnam, the government and all social strata have successfully controlled the Covid-19 epidemic. Vietnam has also succeeded in ensuring and stabilizing socio and economic activity.

Stabilizing the commodity market is one of the successes. There is no scarcity of goods, no supply-demand instability, no price hikes and no supply of substandard products to the market. E-commerce development in Vietnam has proven the effort of the business community in general and Vietnamese e-commerce firms in particular, together with authorities, in a quick response to the epidemic.

At the online conference themed “Businesses and consumers join hands in the Covid-19 pandemic” held recently by the Business Forum Magazine in Hanoi, Ms. Nguyen Thi Minh Huyen, Deputy Director of the Vietnam e-Commerce and Digital Economy Agency under the Ministry of Industry and Trade, said, given the complicated evolution of the Covid-19 epidemic, avoiding face-to-face contact, consumers tend to shop online. This is also a future development trend.

She said, in response to the direction of the Prime Minister, the Ministry of Industry and Trade launched an action program which includes the early introduction of e-commerce management and development in Vietnam and directed e-commerce platforms to review products, fight against fake goods, prioritize the display of anti-epidemic products and essential supplies provided in the time of Covid-19 epidemic. Shops were strictly punished for increasing prices of epidemic prevention equipment. By April 24, about 17,000 shops and about 38,400 products were found in violation. The ministry also cooperated with businesses to bring Vietnamese goods to major exchanges. It also promoted the launch of a complaint settlement and consumer protection system.

“A quick survey with four major trading floors showed

that transactions of medical equipment increased by 80-100%. However, as many economic sectors were affected by the epidemic, cancelled orders of e-commerce firms jumped 140%,” she said.

This reality occurred because online business was still based on physical supply, Ms. Huyen explained. This also resulted from import restriction because Vietnamese trade depended on big import markets, especially China. In addition, it came from the capacity of enterprises to respond to the epidemic. More or less, giant corporations were active, able to adapt to new developments, but many smaller ones were passive in responding to the epidemic, especially in digital transformation to apply e-commerce and adapt to new business methods.

From that practice, the Ministry of Industry and Trade launched a group of solutions to support the business community in the short term and the long term: launching the program that encourages consumers to use Vietnamese agricultural products on Vietnamese stalls; building an e-commerce application platform to respond to emergency cases; and engaging delivery companies and intermediary payment systems to provide services for businesses joining full-package e-commerce process that can respond to emergency cases, not only the Covid-19 epidemic as now but in other situations that may occur in the future. At the same time, the ministry also stepped up the launch of a consumer complaint management, monitoring and settlement system in the e-commerce environment through the e-commerce management portal in Vietnam (online.gov.vn).

Mr. Ho Tung Bach, Deputy Director of Consumer Protection Department under the Vietnam Competition and Consumer Protection Authority (VCCA), said, to protect consumer rights, the authority required enterprises to ensure quality, information and price to keep the market stable. VCCA also established a call center to receive consumers' information, and received many complaints regarding purchases, especially wrong online products.

Authorities already aggressively dealt with this situation. Both market watchdogs and economic police seriously dealt with price increase and violators faced both economic and criminal penalties. As a result, profiteering and violations significantly dropped.

“E-commerce is a two-sided trend. Consumers and businesses must be alert. Consumers should scroll down to the bottom of an e-commerce website to know whether it is registered or not. In my opinion, a reputable store will have a link redirected to the information page with the name, address and tax code of the seller when they click on. That is an accurate website,” he said.

Ms. Huyen noted that e-commerce businesses must register with the Ministry of Industry and Trade as per Decree 52/ND-CP. They will be against the law if they do not do this. The registration with the Ministry of Industry and Trade will help them gain credibility with the community and avoid post-audit. This also helps consumers confirm information before making a purchase.

“I want our customers to be smart and well-informed when they buy on e-commerce platforms registered with the Ministry of Industry and Trade. The need to look up information before buying and study regulations of the site to record trade logs to seek timely assistance from competent agencies if there is a dispute,” she said. ■

Mr. BUI HUY HOANG

DEPUTY DIRECTOR OF THE INFORMATICS AND DIGITAL CENTER, THE VIETNAM E-COMMERCE AND DIGITAL ECONOMY AGENCY, MOIT

Basically, on an e-commerce site, there are two groups: Sellers of imported products and sellers of Vietnamese products.

However, sellers of Vietnamese products are not the majority. Many businesses believe that this is not an effective business channel and their employees have not met e-commerce requirements.

However, the Covid-19 epidemic showed a dramatic change in the way they sell Vietnamese products. Currently, many are interested in e-commerce on belief that this is a new direction that helps them do business more effectively.

In order to support sellers of Vietnamese goods, we have focused on two main channels: Physical markets/supermarkets and e-commerce websites. With the supermarket channel, we help them distribute goods in traditional supermarkets. This activity is overseen by the Ministry of Industry and Trade.

With the e-commerce site, we help them distribute goods, which will also be supervised by the Ministry of Industry and Trade. Through communication channels, consumers will gradually find that this is an effective channel to buy quality products online. In addition, we help them distribute goods directly to consumers instead of going through distribution intermediaries.

Mr. HOANG CHUONG

NORTHERN MANAGING DIRECTOR OF MASAN MEATLIFE JSC

Right before the outbreak of the Covid-19 epidemic, when the African swine fever spread, our company applied three disease prevention layers to ensure product quality.

Since the Covid-19 epidemic broke out, we have intensified preventive measures. Our company has applied safe distancing, body temperature checks and disinfection measures to ensure the delivery of safe products. Despite high costs for doing this, we still do it every day to ensure product quality supplied to the market.

Our company has also applied European packaging technology to ensure the safety of meat and deli products. Besides, the company has offered the highest-ever price subsidy for three products to help consumers with nutritious meals.

We always define online sales as an inevitable trend in the future and Covid-19 is another reason for us to further accelerate the trend to bring our products to Vietnamese consumers quickly.

To catch up with this trend, we supported customers to buy our products via many other channels such as Web and Fage.

Mr. PHAN VAN DUNG

DEPUTY GENERAL DIRECTOR OF VISSAN JSC

For VISSAN, in 2020, we will build an e-commerce website. Since February 2020, we have increased our sales through the company's hotline. After the Government's Directive 16 on social distancing and social quarantine, consumers reduced their shopping at supermarkets. We had to adapt to this new marketing method to serve consumers.

We have formed 55 warehouses from 55 stores in downtown and in the suburbs. Consumers just need to make a call to the telephone hotline to buy our products.

Besides, we have accelerated the company's website development and brought our products onto e-commerce platforms such as Lazada and Tiki in the time of social distancing.

FDI Reaches US\$12.33 Billion in Jan-April

Foreign investors invested US\$12.33 billion in the year to April 20, down 15.5% year on year, according to the Ministry of Planning and Investment.

By sector, foreign investors invested in 18 sectors and fields. The processing and manufacturing industry drew most FDI with nearly US\$6 billion, accounting for 48.4% of the total value. The electricity production and distribution field ranked second with US\$3.9 billion, accounting for 31.9% of total, followed by the wholesale and retail sector (US\$776 million) and the real estate business (US\$665 million).

By investment partner, 93 countries and territories invested in Vietnam in this period. Singapore led with US\$5.07 billion, accounting for 41.1% of the total registered value. Thailand ranked second with US\$1.46 billion, accounting for 11.8%. Japan ranked third with US\$1.16 billion, accounting for 9.4%, followed by China, Taiwan and South Korea.

By invested area, foreign investors invested in 57 provinces and cities. Bac Lieu province continued to be the biggest recipient of FDI with US\$4 billion, accounting for 32.4% of the total registered value. Ba Ria - Vung Tau province ranked second with US\$1.9 billion (15.4%). Ho Chi Minh City ranked third with US\$1.31 billion (10.6%), followed by Hanoi, Ha Nam and Binh Duong.

WB Predicts Sharp Decline in Remittances in 2020

Vietnam was the third largest recipient of remittances in East Asia and the Pacific in 2019. Vietnamese workers living abroad sent home US\$17 billion in the year, accounting for 6.5% of the country's GDP, showing that remittances were still important for the country. However, in 2020, remittances are forecast to decline sharply due to the economic crisis caused by Covid-19 pandemic and lockdown.

QUYNH CHI

According to the recent Migration and Remittances Data released by the World Bank, Vietnam is among the top 10 recipients of remittances in the world for three consecutive years. Ho Chi Minh City received the highest amount of remittances in the country, estimated at US\$5.6 billion in 2019. The WB estimated that remittances to Vietnam increased 10-15% annually on average in the past 12 years.

This amount came from more than 4.5 million Vietnamese people working and living abroad. According to the latest data released in 2012 by the State Committee on Overseas Vietnamese, more than 4.5 million Vietnamese live, work and study in 103 countries and territories in the world.

The International Organization for Migration (IOM) estimated that, in 1990-2015, more than 2.5 million Vietnamese migrated abroad and nearly 100,000 went abroad a year on average. The International Labor Organization (ILO) also noted that 540,000 Vietnamese workers lived and worked abroad in 2019. In 2019 alone, more than 141,000 Vietnamese went to work abroad.

According to the WB, global remittances are projected to decline sharply, by 20%, in 2020 due to the economic crisis induced by the Covid-19 pandemic and shutdown. The projected fall, which would be the sharpest decline in recent history, is largely due to a fall in the wages and employment of migrant workers, who tend to be more vulnerable to loss of employment and wages during an economic crisis in a host country. Remittances to low and middle-income countries are projected to fall by 19.7% to US\$445 billion, representing a loss of a crucial financing lifeline for many vulnerable households.

Studies show that remittances alleviate poverty in lower- and middle-income countries, improve nutritional outcomes, are associated with higher spending on education, and reduce child labor in disadvantaged households. A fall in remittances affect families' ability to spend on these areas as more of their finances will be directed to solve food shortages and

immediate livelihoods needs.

Remittance flows are expected to fall across all World Bank Group regions, most notably in Europe and Central Asia (27.5%), followed by Sub-Saharan Africa (23.1%), South Asia (22.1%), the Middle East and North Africa (19.6%), Latin America and the Caribbean (19.3%), and East Asia and the Pacific (13%).

The large decline in remittances flows in 2020 comes after remittances to low and middle-income countries reached a record US\$554 billion in 2019. With the decline, remittance flows are expected to become even more important as a source of external financing for low and middle-income countries, as the fall in foreign direct investment (FDI) is expected to be larger (more than 35%). In 2019, remittance flows to low and middle-income countries became larger than FDI, an important milestone for monitoring resource flows to developing countries.

The World Bank estimates that in 2021, remittances to low and middle-income countries will recover and rise by 5.6% to US\$470 billion. The outlook for remittance remains as uncertain as the impact of Covid-19 on the outlook for global growth and on the measures to restrain the spread of the disease. In the past, remittances have been counter-cyclical, where workers send more money home in times of crisis and hardship back home. This time, however, the pandemic has affected all countries, creating additional uncertainties.

According to Mr. Michal Rutkowski, Global Director of the Social Protection and Jobs Global Practice at the World Bank, effective social protection systems are crucial to safeguarding the poor and vulnerable during this crisis in both developing countries as well as advanced countries. In host countries, social protection interventions should also support migrant populations.

The global average cost of sending US\$200 remains high, at 6.8% in the first quarter of 2020, only slightly below the previous year. Sub-Saharan Africa continued to have the highest average cost, at about 9%, yet intra-regional migrants in Sub-Saharan Africa comprise over two-thirds of all international migration from the region. ■



Actively Avoiding Trade Remedy Traps

In April 2020, Vietnamese pangasius exporters received good news as the anti-dumping duty on pangasius to the United States decreased significantly compared to the previous period. However, this is only a rare case that Vietnamese businesses have an advantage. The risk of trade barriers imposed by other countries on Vietnamese goods is still increasing.

HUONG LY

Heightened risks

According to the Trade Remedies Authority of Vietnam (TRAV) under the Ministry of Industry and Trade, 12 out of 26 Vietnamese products may be at risk of being investigated for imposition of trade remedies or other trade restrictions in the coming time.

The above data was released by the Trade Remedies Authority, based on monitored exports subject to trade remedies by export markets or other trade restrictive measures imposed by third countries but not applied to Vietnam. Accordingly, monitored items on the list include plywood made from hardwood, foam cushions, wooden cabinets, artificial stones, copper pipes, mechanical steel couplings, steel wheels, prefabricated steel, gas canisters, drum pins imported to the United States and electric bicycles exported to the European Union (EU).

Increased protectionist measures continue to play a leading role in international trade. The application of protectionist measures is increasingly diverse and varied, from the threat to 'national security' that results in increased import tariffs on aluminum and steel, to 'protection of intellectual property rights' that gives rise to increased duty on pirated products. Besides, 'unfair competition' is a must-be-told reason as it leads to direct

retaliatory measures. However, the most frequently used are still trade remedies, including anti-dumping, anti-subsidy and safeguard measures.

According to the Trade Remedies Authority, by the end of 2019, foreign countries initiated 158 cases of trade remedies to Vietnam's exports, including 88 anti-dumping cases, 32 safeguard cases, 18 anti-subsidy cases and 20 tax evasion cases. 15 new cases were started in 2019.

Currently, the United States is still imposing the most trade remedies on Vietnam's exports (31 cases), followed by Turkey (21 cases), India (21 cases) and the EU (14 cases).

Some recent typical cases include the Philippines' investigation for imposition of safeguard measures on rice, Canada's anti-dumping and anti-subsidy investigations on anti-corrosion steel products, South Korea's anti-dumping probe into plywood, Australia's anti-dumping and anti-subsidy investigation on Vietnam's steel pipes.

Although new cases in 2019 were fewer than in 2018, they pointed at a noticeable trend: Products subject to anti-dumping duty continued to be sued for subsidy; products subject to anti-dumping measures continued to be investigated for anti-dumping and anti-subsidy; and FTA partners account for a large share of the cases initiated in 2019, according to the Trade Remedies Authority.

Active response

The world is witnessing very complicated and unpredictable developments. Countries are increasing measures to restrict trade and protect domestic production. While important free trade agreements (FTAs) are being enforced, especially commitments to eliminate import duties and quotas, this creates market opportunities on the one hand but also causes strong competition pressures. Countries introduce stricter requirements on exports, especially on rules of origin, already extended to iron, steel, aluminum and other products in addition to apparels. Failing to meet these requirements, Vietnam's goods are easily concluded to be evading taxes and trade remedies.

This requires regulatory agencies, industry trade groups and businesses to improve their capacity of early warning, contextual analysis of overheating export growth that may lead to the risk of investigation and imposition of trade remedies, and to proactively take appropriate measures to protect Vietnam's exports. In addition, relevant ministries and agencies should provide updated and timely information for manufacturers and industries to figure out appropriate investment and business approaches in the ongoing context of complicated safeguard measures.

With its above solutions, Vietnam has obtained positive results in some trade remedy-related cases and helped protect legitimate interests of manufacturers and exporters. For example, on April 20, 2020, the United States Department of Commerce (DOC) announced the official results of the 15th period of review (POR15) on anti-dumping duty for the period from August 1, 2017 to July 31, 2018, applied to Vietnamese catfish products exported to the United States. Specifically, the final tax rate for some businesses that answered the questionnaire and cooperated with the DOC is 15 cents per kilo (equivalent to 3.8% of the export price). Most of Vietnam's major pangasius exporters (such as Vinh Hoan Corporation and Bien Dong Seafood Co., Ltd.) will continue to enjoy zero tax. This is positive news for Vietnamese pangasius exporters, when the Covid-19 epidemic is affecting the domestic fish industry. ■

Vietnam Fully Resumes Rice Exports from May 1

With the goal of ensuring food security and maintaining production and economic growth in line with the context of the Covid-19 pandemic having been well controlled by Vietnam, the Prime Minister has agreed to fully resume rice exports from May 1.

HUONG LY

Balancing domestic consumption and exports

The prevention of the Covid-19 epidemic in Vietnam has achieved positive results. The whole country has moved to a new phase, both implementing the social distancing and creating conditions for goods circulation and production and business development. Thanks to ensuring the supply of essential goods for the domestic market, people have stopped panic buying.

According to the Ministry of Industry and Trade, it can be affirmed that Vietnam has ensured absolute national food security in the most complicated period of the Covid-19 pandemic. The interdisciplinary inspection team on the rice market affirmed that the winter-spring crop in the Mekong Delta region had a good harvest.

According to the Ministry of Agriculture and Rural Development, the plan for production and consumption in 2020 is estimated at 43.5 million tons of rice. Particularly for the Winter-Spring crop, after subtracting reserves and consumption, the amount of commodity rice that can be exported is about 3 million tons.

It is forecast that domestic demand in 2020 (including reserves) is 29.96 million tons of rice, of which about 14.26 million tons is for domestic consumption; 7.5 million tons for processing; 3.4 million tons for husbandry; 1.0 million tons for breeding; and 3.8 million tons for domestic reserves. Thus, after deducting consumer demand

and stockpiles, the surplus rice that can be exported is about 13.54 million tons.

According to preliminary statistics from the General Department of Customs, rice exports in the first quarter of 2020 reached 1.52 million tons. Rice export in April is expected to fluctuate in the range of 300,000 – 350,000 tons. Thus, from the beginning of the year to the end of April, rice export is estimated to reach a maximum of 1.9 million tons. With a total exportable rice volume of about 3.2 million tons, after subtracting the expected rice export volume in the first four months of 2020, the remaining amount of rice that can be exported is about 1.3 million tons.

External impact

The Import and Export Department of Ministry of Industry and Trade informed that after the blockade is lifted, India is expected to supply the world market with a relatively large amount of rice, it is possible that the world rice price will decrease. In addition, some countries have been proactively self-sufficient in food supplies or supplement food reserves from many other sources in the past month.

Several countries such as the Philippines, Australia, Japan, Singapore, Mongolia and Laos have sent documents to the Ministry of Industry and Trade requesting Vietnam to completely resume rice exports, because in addition to economic significance, it is also humane, especially in the context of the current Covid-19 pandemic. As a responsible country, Vietnam pays due attention to humanitarian issues, especially as it is chairing ASEAN 2020.

Increasing reserves to ensure food security

At the proposal of the Ministry of Industry and Trade and other ministries, branches, the Prime Minister has agreed to fully resume rice exports from May 1.

In addition, the Ministry of Industry and Trade continues to strictly enforce the export of rice only through international border gates and intensify inspection and supervision to prevent and strictly handle cross-border smuggling rice.

The Ministry of Industry and Trade recommends that enterprises and traders regularly maintain the minimum circulation reserve equivalent to 5% of the amount of rice that traders have exported in the previous six months and pledge to immediately supply the domestic market if required by the Government, and requests the 20 largest rice exporters to sign an



GDC Proposes Measures to Clear C/O Submission Obstacles Caused by Covid 19 Pandemic



Due to the impact of the severe acute respiratory disease caused by the novel coronavirus (Covid-19), some countries adopted social distancing and lockdown measures, preventing customs declarants from obtaining certificates of origin (C/O) to submit on time. Before this reality, the General Department of Vietnam Customs (GDC) proposed a number of solutions to remove difficulties and obstacles for enterprises.

GDC sent documents to the Ministry of Industry and Trade (MoIT), the Vietnam Chamber of Commerce and Industry (VCCI) and trade associations to suggest some solutions and collect opinions about related legal documents to make reports to competent authorities to introduce solutions in line with prevailing regulations.

As for the extension of time limit for additional submission of C/O, according to Directive 11/CT-TTg dated March 4, 2020 and Directive 02/CT-BTC dated March 13, 2020 on urgent tasks and solutions to deal with business difficulties, based on the authority of the Ministry of Finance as per Article 27 of the Customs Law 54/2014/QH13 and Article 32 of Decree 31/2018/ND-CP, the General Department of Customs recommended that the time of submitting C/O during the time of the Covid-19 epidemic, applied to all C/O forms, is within the validity period of C/O. This proposal is also consistent with international commitments to which Vietnam is a party.

In order to the legality of solutions, GDC also drafted a circular amending and supplementing Circular 62/2019/TT-BTC dated September 5, 2019 on determining the origin of exported and imported goods (relating to Articles 4 and 7 on cases, forms and time of C/O submission).

L.H

Special Preferential Tariff on Goods Imported from Cuba Takes Effect from May 20, 2020

The Government of Vietnam recently issued Decree 39/2020/ND-CP on Vietnam's special preferential import tariff to implement the Vietnam-Cuba Trade Agreement in the 2020-2023 period.

To be entitled to the tariff, imported goods must fully meet the following conditions: Stated in the Special Preferential Import Tariff issued together with this decree, imported from Cuba into Vietnam, and transported directly from Cuba to Vietnam as per the Vietnam-Cuba Trade Agreement.

At the same time, they must also meet regulations on origin in the trade agreement and have certificates of origin (C/O), Form VN-CU.

Goods from Vietnam's non-tariff area imported into the domestic market will be qualified for the Special Preferential Import Tariff in the trade agreement if they are included in the tariff annexed to Decree 39/2020/ND-CP and have certificate of origin, Form VN-CU.

The Vietnam-Cuba Trade Agreement was officially signed on November 9, 2018. With 14 chapters, the pact includes provisions on trade in goods, rules of origin, customs management and trade facilitation, trade remedies, standards and technical regulations, procedures for conformity assessment, food hygiene and safety measures, animal and plant quarantine, economic and trade cooperation and other contents. The agreement, with many new preferential trade commitments, is expected to be steps to improve bilateral economic, trade and investment relations on a par with fine bilateral political relations.

According to the General Department of Vietnam Customs, the agreement will help create a stable and open legal framework, and promote bilateral trade and investment relations. At the same time, the deal will bring tremendous benefits to the business communities of the two sides. Under the agreement, the two sides pledged to abolish or reduce taxes on nearly 100% of goods imported from each other in five years.

To fulfil the agreement commitments and regulations in the Special Preferential Import Tariff to enforce the Vietnam-Cuba Trade Agreement in the 2020-2023 period, issued together with Decree 39/2020/ND-CP, only a few lines of products imported from Cuba have import tax rates greater than 0%, including sugar, wine, cigarette, rubber, steel and cosmetic products.

Decree 39/2020/ND-CP will take effect from May 20, 2020.

H.H

agreement with at least one supermarket system to ensure the supply of 5% of circulation reserves when required.

Localities must strengthen the task of urging, supervising and inspecting the maintenance of the minimum circulation

reserve equivalent to 5% of the rice export traders in the area.

The Ministry of Agriculture and Rural Development shall step up agricultural production, ensuring adequate supply of rice for domestic food demand and export. ■

Applying Digital Technology to Improve Labor Productivity

Digital economy changes business models and increases labor productivity

In the Vietnam Annual Economic Review 2019 titled “Improving labor productivity in the context of digital economy” published by the National Economics University, labor productivity is important for long-term economic growth. Low productivity is a factor that hinders economic growth by both speed and sustainability.

According to Dr. To Trung Thanh, Head of Scientific Management Department under the National Economics University, boosting productivity growth is currently an important goal to which Vietnam has paid much attention. However, productivity improvement in Vietnam is still much slower than expected and is also difficult to be reached.

“To step into a new period of growth,

Digital technology and digital economy platforms will change business models, industry structures and even sectoral economies in unprecedented ways. The digital economy can create new opportunities and growth engines for the overall labor productivity of the economy.

QUYNH ANH

Vietnam needs stronger contributions of labor productivity improvement. To achieve higher labor productivity growth in the time to come while old growth engines almost run out, new motivations are needed. The digital technology and digital economy platform is a choice for that,” he said.

In the coming years, digital economy development will certainly be a new driver of productivity growth. Automation and digitization will gradually replace many production stages of many economic sectors, helping reduce costs, increase profits and employ fewer workers. Digital technology can be applied in almost all economic sectors and make major changes in production methods and labor productivity in all economic sectors. Some industries may soon take advantage of digital technology to make big changes in output and productivity, such as manufacturing and processing industries, transportation - logistics, finance -



banking, healthcare and education and high-tech agriculture.

Digital technology will change business models, industry structures and even industrial economy in unprecedented ways. Digital economy can create new opportunities and growth engines for the overall labor productivity of the economy. However, it can only help labor productivity growth if labor can be reallocated to more productive areas as needed. If there are structural barriers in the use of new technologies as well as effective labor allocation, the impact of digital economy will be trivial. In addition, the impact of digital economy on productivity growth of each industry and economic sector will vary due to their different characteristics and technological absorption capacity. Therefore, the research into the impact of digital economy on labor productivity of enterprises, fields and economic sectors along with labor mobility trends across industries and economic sectors will help Vietnam figure out new motivations that the digital economy brings to propose appropriate solutions to promote overall labor productivity growth of the economy in the 2020-2030 strategic period.

The report has four scenarios of digital economy and forecast labor productivity based on digital economy by 2030. In Scenario 1: The economy grows slowly and the average annual growth of labor productivity is 6.25%, of which the digital economy contributes only 0.43%. In scenario 2: The digital-transformed economy will expand digital application and develop the information technology industry, the respective rates will be 6.97% and 1.15%, respectively, and the labor productivity growth and contribution level of the digital economy will be the highest among all scenarios. In Scenario 3: Digital exporters, given that the development of Vietnam's IT industry is based on outsourcing for other countries but the adoption of internal digital technologies across industries is low, the respective rates are 6.32% and 0.50%. In Scenario 4: Digital consumers, given that Vietnam's industry uses IT products and services from other countries, the respective rates are 6.50% and 0.68%.

Thus, in 2020-2030, each year, only the digital economy contributes 7-16.5% out of 100% of overall labor productivity growth. Without doubt, the contribution of the digital economy is very important to economic productivity and performance, and serves as a new driving force for rapid

improvement of labor productivity.

Policy recommendations for improved labor productivity

The report said, to improve labor productivity in the digital economy, a framework strategy is needed to underpin legal and institutional orientations and corridors for digital transformation. The goal that Vietnam aims at is the transition scenario, which means that digital synchronization in all sectors and fields of the economy must start from State management. In order to have a digitally transformed economy, we need a huge amount of resources, not only coming from the State budget, but also from the society, including the private sector and the FDI sector. Hence, it is necessary to create basic conditions to attract investment capital for economic digitization, namely digital infrastructure and services. There is a need for renovating the education and training system by changing management, methodology, documents and new subjects closely linked to digitization.

In particular, it is necessary to apply preferential economic policies on tax and credit for businesses investing in science and technology, innovation, high-tech application and production modernization; encourage, facilitate and support businesses to start up, innovate and improve production techniques and technologies, and train and foster human resources and businesspeople. In addition, attention should be paid to incentives for digital technology application to the manufacturing and processing industry, which plays a huge role in the economy and overall labor productivity.

The Government also needs to strongly support enterprises, especially SMEs, in the ICT and scientific-technological industries. These two industries take advantage of digital technology to improve labor productivity and create digital platforms and support the development of other economic sectors.

For their part, businesses should have a strategy to improve labor productivity based on knowledge and technology, focus on improving technological capacity, innovating and applying advanced production and management technology to improve business performance and productivity. It is important to accelerate the application of cloud computing to cut costs, save time and enhance business performance, especially storage, sharing, big data analysis and growth planning. ■



Labor productivity of Vietnam, though having a relatively high growth rate in the region, is currently at a very low level. Compared with some other countries in ASEAN, Vietnam's labor productivity in 2019 was only about one fifth of Malaysia, a third of Thailand and China, a half of Indonesia, and nearly a half of the average ASEAN labor productivity. Vietnam's labor productivity is at the low of ASEAN, even lower than the Philippines, Laos and Myanmar, only higher than Cambodia. Vietnam's labor productivity per capita is less than 10% of the United States, approximately 25% of China, Indonesia, Thailand and over 50% of Malaysia. Over the past two decades, Vietnam has not reduced its productivity gap with other countries in the region, the distance has even further widened. Vietnam is facing a clearer risk of lagging behind.





CHANGING CRITERIA TO ADVANCE NEW COUNTRYSIDE DEVELOPMENT

After having met new countryside standards, many localities are now unable to figure out ongoing directions to continue new countryside construction. Even, some are making light of the issue and satisfied with their achieved results.

DUY ANH



Deputy Prime Minister Trinh Dinh Dung visits a booth displaying OCOP products of Quang Ninh province

According to the Central Coordinating Office for New Countryside Development, 51 centrally governed provinces and cities have issued their model criteria for new countryside. However, some criteria are not suitable to locally and regionally indigenous characteristics (e.g. in the northern mountainous region, the Mekong Delta and the Central Highlands). Therefore, the Prime Minister decided to amend some criteria of the National Target Program on New Countryside Development (adjusting five out of 19 criteria).

The Prime Minister has assigned the Ministry of Agriculture and Rural Development to work with concerned ministries and agencies to elaborate the Investment Policy Report on the National Target Program on New Countryside Development in 2021-2025 with specific objectives and criteria focusing on sustainability, response to climate change, urbanization, improved material and spiritual life of rural people: Completing and upgrading the infrastructure system for inclusive rural socioeconomic development linked to urban areas, effectively carrying out agricultural restructuring together with a new countryside construction to form a modern agriculture, ensuring environmental protection and improving rural landscape, raising healthcare quality, education and cultural and sports, preserving and

promoting traditional cultural values, and maintaining political security and social order and safety in rural areas.

The Ministry of Agriculture and Rural Development issued guidance for advanced new countryside criteria and the Provincial People's Committee introduced specific targets matching local characteristics to build action plans and assess work results, and recognize and announce communes certified to meet advanced new countryside standards. Mr. Nguyen Minh Tien, Director General of the Central Coordinating Office for New Countryside Development, said, "The introduction of model new countryside commune criteria is considered a new milestone and direction to realize the quality and sustainability quality in new countryside construction. At the same time, new countryside construction is a regular, continuous process, with a starting point but no ending point."

Mr. Nguyen Nam Cuong, Deputy Director of the Phu Tho Coordinating Office for the National Target Program on New Countryside Development, said, advanced model new countryside criteria are designed for communes and residential areas certified to meet new countryside standards. Accordingly, certified communes must fulfill advanced criteria for new countryside construction, which consist of 17 criteria in five domains: Social and economic infrastructure, rural economic development and people's life improvement, education - health - culture, environmental landscape, security and order - public

administration. Similarly, 13 criteria and 30 advanced targets are applied to model new rural residences recognized to meet new countryside standards and to rural residences in communes recognized to meet new countryside standards.

Mr. Le Tuan Quoc, Vice Chairman of the Ba Ria - Vung Tau Provincial People's Committee, said, "After nearly 10 years of implementation, the National Target Program on New Countryside Development has given a new face and new vitality to rural areas. In particular, agricultural production has gradually linked households, shifted to commercial production, and created product value chains. Assisted by new countryside models, Ba Ria - Vung Tau province has successfully drawn household farms, large-scale farms, cooperatives, and businesses to invest in local agriculture and these models are growing." Based on its achieved results, the province will continue to offer many creative solutions and associate new countryside construction with agricultural restructuring, with a focus on high-tech applications. At the same time, the province will introduce best approaches to each locality.

During operation, some criteria are unsuitable for local

conditions. For example, the 5-star standards will be difficult to apply to OCOP products (One Commune One Product). Moreover, not all localities have OCOP products. Or criteria of farmer income are still inappropriate. The requirement for hardened traffic routes in rural areas will be difficult to achieve and it is not necessary to harden all traffic routes (concreted/asphalted) in rural areas. Thus, criteria must be adapted to each locality.

In general, representatives of local new countryside offices said that, to accomplish the goal of building a new countryside in 2021-2025, it is necessary to boldly empower localities to focus on what is best to them. Deputy Minister of Agriculture and Rural Development Tran Thanh Nam said, basically, 19 criteria will not change much but will mainly be adapted to match practical conditions, especially in disadvantaged areas. However, the level and quality of standards such as income, poverty reduction, education, labor, environment, security and order will not be lowered to ensure that the new countryside construction is effective, he asserted. ■



Fostering Internal Resources for OCOP Program

After more than 1.5 years of implementation, the OCOP Program for 2018-2020 has produced particularly important initial results, creating new impetus for new rural area construction and for rural economic development, and drawing active engagement from the whole political system of all levels and society.

DUC BINH

According to a report released by the Ministry of Agriculture and Rural Development, 61 out of 63 provinces and cities have approved their OCOP Programs. 24 provinces and cities have assessed and classified 1,129 products submitted by 753 economic entities. Among them, 16 products are certified as 5-star class, 336 products as 4-star class and 777 products as 3-star class, according to the national OCOP criteria. Many quality products are favored in the domestic market and exported to foreign countries. Preliminary surveys show that most localities selected more than 10 key competitive products for investment and development, with some provinces having more than 30 such products like Soc Trang, Vinh Long, Hau Giang, Tra Vinh and Dong Thap.

Mr. Nguyen Minh Tien, Director General of the Central Coordinating Office for New Countryside, said it is admitted that the awareness and deployment of the OCOP Program is not aggressive enough; the execution apparatus is insufficient, weak and incomplete; and the deployment of OCOP cycles is not in order. Some provinces have carried out the program very well, including Quang Ninh, Bac Kan, Quang Nam and Ben Tre; while others have not, some have not even launched it yet. Many places, when formulating the program, imposed product selection for the 2018-2020 period, not strictly adhering to the Program principles or OCOP steps. The mobilization of resources for the OCOP

Program is limited, primarily supported by the budget for the National Target Program on New Countryside Development, not integrated with local rural economic development programs and projects.

However, some existing difficulties and challenges need more attention and direction from all levels and sectors to be addressed. In general, organizations responsible for carrying out the OCOP Program are inadequate, weak, asynchronous and lack leading coordinators and advisors. Many officials are unclear about the nature and principles of the OCOP Program. Some localities approved schemes and plans but did not launch specific activities, not following OCOP cycles specified in Decision 490/QĐ-TTg. Therefore, the progress and quality of the program in many localities has not met requirements.

Many localities have mainly selected available products and developed product brands of some entities but they lack popularity to be put into the OCOP Program and classified rather than developed potential products that carry local advantages to improve their quality. The role and participation of commune-level authorities is still limited. Although trade promotion has been a concern for many localities and launched inside and outside provinces, it has still lacked focus. Events have not yet highlighted the image and quality of OCOP products. The unclear definition of OCOP products and other substandard products causes consumer confusion about OCOP products.

In order to improve the effectiveness



and quality of the OCOP Program, achieve desired goals and results, and prepare well for the development of the OCOP Program in 2021 - 2025, the Ministry of Agriculture and Rural Development requested the Chair of the Steering Committee for National Target Programs and Chairpersons of Provincial/Municipal People's Committees to care about and direct some tasks: Drastically directing the local implementation of the OCOP Program, strictly following OCOP cycles, strengthening review, encouragement and direction of people and economic entities to participate in the program, and ensuring the popularity and quality of OCOP products. The two provinces that have not yet approved the OCOP Program should

carefully prepare contents in the guiding spirit of the central government, soon complete and launch the program in the first quarter of 2020 at the latest. They will necessarily concentrate on training, retraining and guiding commune and district officers to understand the nature of the program.

In 2020, the Ministry of Agriculture and Rural Development proposed that localities should mobilize more community power to implement this program. Provinces and cities need to study production areas and help OCOP products develop more sustainably. At central level, in 2020, the ministry will also soon complete and standardize the program implementation guideline for all 63 provinces and cities.■



A total of 3,843 products are expected to meet OCOP standards by the end of 2020, nearly 1.6 times higher than the target of 2,400 products. In particular, the food sector has 2,218 products, the drink sector has 397 products, and the herbal medicine sector has 264 products. After being assessed and ranked, many products have been sold in large quantities by major distributors, retailers and e-commerce firms (BigC, Vinmart and VNPost). The sales of ranked products have increased significantly.



Vibrant Transformation of Ethnic Minority in New Countryside Development

Many positive changes

Determining the implementation of the National Target Program on New Countryside Development is a key task to change the face of ethnic minority and mountainous areas, many preferential mechanisms and policies to support localities have been issued. Notably, the support resources for extremely difficult communes and the communes meeting less than 5 criteria, is prioritized and 4-5 times higher than other localities.

The Prime Minister has also approved the project on "Supporting villages and hamlets of difficult communes in border, mountainous, coastal areas and islands to build new countryside construction in association with sustainable poverty reduction in the period 2018 - 2020". In particular, it includes an additional amount of about VND1.4 trillion to support 3,513 villages and hamlets in 36 provinces to implement the project. According to the statistics in the period of 2016 - 2019, the ethnic minority and mountainous regions had mobilized nearly VND900 trillion to invest in the National Target Program on New Countryside Development, accounting for 78% of the total mobilized capital of the whole country (nearly VND1.3 trillion). Of which, about VND70.6 trillion comes from people through their land donations and labor days.

Thanks to the large investment resources, through the National Target Program on New Countryside Development, the lives of ethnic minorities nationwide have improved markedly. The rate of household poverty, extremely difficult communes in ethnic minority and mountainous areas has decreased by 3-4%/year. Up to now, 61.3% of the communes in ethnic minority and mountainous areas have reached criterion No. 10 of income and 60.7% of communes have completed the criteria of household poverty rate. As of March 2020, the whole country had 2,947 ethnic minority and mountainous communes meeting the new rural standard (equivalent to 45% of the total number of communes). On average, each commune has reached 14.87/19 criteria. Some provinces in ethnic minority and mountainous areas have had district-level units recognized to meet the new rural standards, such as: Tran Yen district (Yen Bai province), Nga Nam town

From a very low starting point and still facing many difficulties but with breakthrough solutions, many mountainous areas throughout the country have achieved remarkable results in New Countryside Development.

MINH NGOC

(Soc Trang province) and Tieu Can district (Tra Vinh province), and Tay Tra district (Phu Yen province).

Sources of investment need to be diversified

According to the report by the Ministry of Agriculture and Rural Development, although the results of New Countryside Development have produced positive changes, many localities still face difficulties, especially in remote and border villages and hamlets. Therefore, in general, the results of New Countryside Development in these areas still have a big gap compared to other areas and regions of the country.

Currently, there are still six provinces with the percentage of communes meeting New Countryside Development standards below 20%, including five provinces in the northern mountainous region: Ha Giang, Cao Bang, Bac Kan, Son La and Dien Bien.

The demand for New Countryside Development of these provinces is very large, but the ability to mobilize resources is very limited because they are mainly poor areas with low starting points, and the number of enterprises investing in the agricultural sector is small and farming households still make up the majority of production.

The localities are interested in investing in infrastructure but have not focused on allocating adequate resources for other key areas. The capacity of grassroots cadres, especially in mountainous communes and ethnic minorities, is still limited. Besides, the impact of natural disasters is becoming more and more complicated, causing damage to property and people and seriously affecting people's daily life and production, thereby directly affecting the capability to maintain the criteria of economic, social infrastructure, income, household poverty and environment.

Therefore, to meet the demand for investment capital in the context of limited budgets and low budgets of poor provinces, highland provinces need to integrate different sources of capital. In particular, they need to focus on building specific economic development solutions suitable to the specific conditions of each place. All programs and projects

(continued on P.29)



Bringing OCOP Products to E-commerce Platforms



Bringing key, unique agricultural products onto e-commerce platforms will not only open a new door to expand sales for businesses, producers and cooperatives, but also create opportunities for consumers to approach products of high quality and clear origin. However, to be successful, businesses need thorough preparation and investment.

MINH NGOC

Matching supply and demand

Currently, e-commerce has become a popular trading mode in the world and is growing in Vietnam. Therefore, sending commodities and agricultural products to e-commerce platforms is a good opportunity for local businesses to promote and expand the market. This new approach helps businesses and small manufacturers reduce selling costs, improve product competitiveness and reach consumers effectively, and enables consumers to buy goods more conveniently and easily. They can purchase products from distant provinces without having to spend time going there.

Mr. Nguyen Minh Tien, Director General of the Central Coordinating Office for New Countryside, said, in Vietnam, agricultural restructuring has given a clear facelift to rural infrastructure. However, in the face of the general social development trend, it is essential to enrich information on local specialties for domestic and international tourism promotion programs to further enhance production connectivity and launch nationwide marketing.

Mr. Nguyen Thanh Tung, representative of the International Fund for Agricultural Development (IFAD) in Hanoi, said, the Project “Enhancing market

access for rural people through a market information network based on information technology platform in new countryside construction” is conducting a survey and assessing the need for using technology platforms to trade OCOP products on the electronic medium which is engaged by small producers, cooperatives and businesses joining the OCOP Program in some localities. At the beginning of 2020, the program piloted the establishment of an e-commerce support channel for OCOP products under the Central Coordinating Office for New Countryside and Coordinating Offices of Ha Tinh, Bac Kan and Ben Tre provinces.

How to be successful?

Defining that e-commerce is a new approach to help agricultural products, including OCOP products, competition in the market and consumer connectivity, many businesses, producers and cooperatives in Ha Tinh province have actively sought exchanges to register and find outlets, enabling themselves to gain access to major distribution channels. Product categories recommended on the website include foodstuffs, fruits (oranges and grapefruits), local specialties (eel, salted eggplants, rice paper, bamboo shoot, salt and rice) and handicrafts. Businesses have given positive feedback on this.

Ms. Le Thi Khuong, Director of Phu Khuong Seafood Purchasing and Processing Cooperative (based in Ky Xuan commune, Ky Anh district), said, “The cooperative’s products like fish sauce, dried mussel, mussel with peanut and salted fish are stably sold via shops in Ha Tinh City, Ky Anh Town and Huong Son District. At the same time, the cooperative has also invested to open more distribution facilities in Ky Anh Town and Ky Anh District”. Bringing agricultural products onto e-commerce platforms enables producers and traders to promote and expand markets and adds more convenience for buyers. Not only sending to local e-commerce exchanges, many units have also actively approached other platforms such as Voso.vn, gcaeco.vn and postmart.vn. Ms. Luong Thi Trang (Tan Giang Ward, Ha Tinh City) said, “In the last two years, I have a strong interest in





organic food shops selling the province's products and I often visit them. Now, many products such as rice, fish sauce, peanut oil, dried fish and frozen seafood can be easily found there."

Ms. Ton Thi Thu Trang, who is responsible for the e-commerce development division at the Ha Tinh Department of Industry and Trade, said, the department completed an online map of local goods distribution systems. This tool supports state management agencies to access information about points of sales and serves as a basis for adjusting planning and operation of province-wide distribution networks in accordance with market needs and development orientations. At the same time, businesses can find distribution networks of local goods to make the right investment when they choose business lines and locations for store construction.

Mr. Vo Ta Nghia, Deputy Director of the Ha Tinh Department of Industry and Trade, said, "The department will offer free store registration and product promotion to give priority and create motivation for traders, producers and cooperatives in Ha Tinh province to participate in the e-commerce platform of Ha Tinh. The department inspires businesses to approach, study and participate to bring products to customers in other provinces, support brand identity development for five key enterprises engaged to tap local strengths and give priority to local businesses participating in OCOP Program. At the same time, the department will build a trading floor for local agricultural products to connect localities in the North Central region and the whole country

In addition to supporting concerned agencies, cooperatives and businesses need specific strategies to value and utilize e-commerce benefits in marketing and advertising. Furthermore, the department pays attention to investing in models and modern equipment to improve production to keep their product brand and reliability. ■

Dong Thap Strives to Achieve New Countryside Standards in 2020

Dong Thap province is striving to have one more district and 20 communes meet new countryside standards by the end of 2020. Particularly, the province has eight exemplary rural communes, completes the plan of having all 37 new rural communes in the 2016-2020 period, and has 12 communes certified to meet new countryside standards as proposed by localities.

Mr. Nguyen Thanh Hung, Vice Chairman of the Dong Thap Provincial People's Committee, said, in 2020, Dong Thap will continue to carry out the Program on New Countryside Development to improve the self-managing role of the community in the spirit of self-reliance, diligence and cooperation. The province will also align with agricultural restructuring and sustainable poverty reduction programs. At the district level, Thap Muoi has all 12 communes certified to fulfil new countryside standards and the province is completing documents to propose its status as a new rural district in 2019.

In addition, Dong Thap province submitted documents to the Ministry of Agriculture and Rural Development for evaluation and asked the Prime Minister for considering and recognizing Cao Lanh City and Hong Ngu Town to complete new countryside construction tasks.

First Central District Meets New Countryside Standards

Deputy Prime Minister Trinh Dinh Dung recently signed Decision 520/QĐ-TTg recognizing Cam Lo district, Quang Tri province, as meeting new countryside standards in 2019.

Mr. Ngo Quang Chien, Chairman of the Cam Lo People's Committee, said that, after nearly nine years of implementing the Program on New Countryside Development, Cam Lo district mobilized VND3,017 billion to realize new countryside criteria. In 2019, Cam Lo district had all eight communes certified to meet new countryside standards. Cam Chinh commune was recognized as a model new rural commune. Besides, Cam Lo district also fulfilled all nine criteria as a new rural district under Decision 558/QĐ-TTg of the Prime Minister.

To date, Cam Lo district has changed dramatically, with the economy growing well, the economic structure shifted to the right direction; production development and people's income improved. In 2019, per capita income in rural areas was VND38.34 million, an increase of 1.9 times over 2011. The poverty rate was 3.57%.

Historical monuments and cultural traditions are preserved and developed. Education and health quality is guaranteed. Rural landscape and environment are improved; political security and social order and safety are enhanced. People enjoy a

full material and spiritual life. In the decision certifying Cam Lo to meet new rural district standards, Deputy Prime Minister Trinh Dinh Dung assigned the Quang Tri Provincial People's Committee to announce, reward and direct Cam Lo district to further maintain and improve the quality of criteria and focus on production and environment criteria to ensure rural area construction sustainability.

Cam Lo is the first district of Quang Tri province to achieve new countryside standards.

Ngoc Dan

Thai Nguyen Sends Agricultural Products onto Commodity Exchanges

Bringing agricultural products onto e-commerce platforms has opened a new door to boost sales for traders, producers and consumers of agricultural products in Thai Nguyen province.

Defining e-commerce as a new way to help agricultural products, including OCOP (One Commune One Product) products, competition in the market and consumer connectivity, many businesses, producers and cooperatives in Thai Nguyen province have actively sought exchanges to register and find outlets, enabling themselves to gain access to major distribution channels.

Mr. Nguyen Ngoc Tuan, Chairman of the Thai Nguyen Farmers Association, said, in the era of Industry 4.0, promoting e-commerce applications to support and expand consumer markets is really becoming a vital business trend.

There are a lot of factors needed to be fulfilled to trade agricultural products. In addition to concentrated production, traceability, code, safety standards, introducing products to contract-signing partners is very important. Therefore, in the coming time, organic agricultural products need to be brought to e-commerce platforms. At the same time, the farmer association will strengthen coordination with relevant agencies to deploy, inspect and control food origin in the market. Besides, traders, producers and cooperatives are necessarily encouraged to deploy electronic traceability, and build websites to promote products to improve transparency, competitiveness and brand sustainability.

Bringing agricultural products to e-commerce platforms enables producers and traders to promote and expand markets and adds more convenience for buyers. Not only sending to local e-commerce exchanges, many units have also actively approached other platforms such as Voso.vn, gcaeco.vn and postmart.vn.

Mr. Ha Quang Vu, Deputy Director of Thai Nguyen Trade Promotion Center, said, e-commerce platforms help businesses, cooperatives and farmers to distribute agricultural products to the community through online sales. This is also an information channel for businesses to promote their brands and product images on the e-commerce market system easily, conveniently and effectively, free of charge.

Communes That Meet Advanced New Countryside Standards Must Have OCOP Products



The Ministry of Agriculture and Rural Development drafted a new set of district- and commune-level new countryside standards for the 2021 - 2025 period. The draft adds more criteria to existing ones.

Specifically, 80% of commune roads are maintained annually to ensure brightness, greenness and cleanness and have necessary items such as sign boards and speed humps. For the criteria of irrigation and natural disaster prevention, the area of major local upland crops applied advanced water-effective irrigation technologies (for places where irrigation works have been developed) accounts for 35% or more. Wastewater discharged into the irrigation system must be measured and controlled. 100% of small irrigation works and inland fields are maintained, of which at least 50% are upgraded. For commercial services, communes that meet advanced new countryside standards must have upgraded or newly built markets to ensure food safety and have commercial support services for local products.

These communes must have OCOP (One Commune One Product) products rated to be standardized or equivalent, have high-tech application models, or production mechanization models, and food safety production models. The draft also stipulates that advanced new rural communes must have at least 95% of breeding facilities meeting environmental requirements.

Additionally, the Steering Committee for New Countryside Development is also discussing and proposing criteria of new rural districts to the draft in 2021 - 2025. Some are higher than current ones. While drafting a set of criteria for advanced rural districts and communes, the Central Coordinating Office for New Countryside Development will consult related ministries, branches, localities and units to match practical situations and current laws.

Dinh Bao

Accelerating Public Investment Disbursement

If VND700 trillion (US\$29.8 billion) of public investment is disbursed efficiently and timely, it will significantly contribute to stimulating social investment and maintaining economic growth momentum. Accelerating the disbursement of this investment capital is an order and one of the goals that ministries, branches and localities are aggressively implementing.

THU HA

Many positive signals

In 2020, according to a report by the Ministry of Finance, the total permitted public investment capital from the State budget is nearly VND700 trillion, 2.2 times the actual disbursed capital in 2019 (VND312 trillion). At many meetings, Prime Minister Nguyen Xuan Phuc has requested ministries, sectors and localities to disburse 100% of the remaining public investment capital in 2019 and in 2020.

Implementing that order, ministries, branches and localities are taking the initiative in seeking solutions to accelerate the disbursement of public investment. According to the Ministry of Finance, the disbursement of public investment plans of ministries, sectors and localities in the first quarter of 2020 reached more than VND61,591 billion, equal to 13.09% of the plan (in the same period in 2019, it was equal to 11.21% of the plan). In which, there are 8 ministries, branches and 34 localities with disbursement amounts of over 15%. There are 3 ministries, branches and 6 localities with the disbursement rate of over 25% including: Development Bank (31.13%); Government Inspectorate (27.60%); Hoa Lac Hi-Tech Park Authority (26.31%); Ninh Binh (47.75%); Nam Dinh (32.78%); Binh Thuan (29.32%); Thai Binh (27.13%); Lang Son (26.16%); and Soc Trang (25.62%). So far almost all localities have disbursed part of their capital.

Hanoi Department of Planning and Investment said that in the first three months of 2020, investors and contractors completed 18.8% of the volume of public investment works and the disbursement rate was 9.8%, while the rate of the same period last year was 7.2%. Although affected by the disease, Hanoi will not adjust its target of disbursing VND37 trillion of public investment this year. In addition to ongoing projects that must be completed in the last year of the 2016-2020 medium term, the city has also started 30 projects and strives to speed up investment procedures to continue building other projects in the second quarter.

In Ho Chi Minh City, a number of key investment projects are focused on implementation including the Ben Thanh - Suoi Tien Metro Line 1. The city also handed over the ground for the commencement of railway No. 2 (Ben Thanh - Tham Luong) in which basic compensation, support, resettlement and site clearance have been completed. In addition, also in the first quarter of 2020, the Project Management Board invested in constructing the city's transport works. Ho Chi Minh City has started 10 new projects including building My Thuy 3 Bridge (under the project of building My Thuy intersection phase 2), building a tunnel system and bridges in front of the new Eastern bus station area, constructing infrastructure of nine land lots in Thu Thiem, constructing An Phu Dong steel bridge, and dredging Soai Rap channel (phase 2).

Other localities such as Quang Ninh, Vinh Phuc or Da Nang are also aggressively promoting disbursement of investment capital. Specifically, as for Da Nang, the disbursement of public investment in the first quarter of 2020 in Da Nang is 3.3 times that of the same period in 2019; 4.2 times higher than in 2018. Quang Ninh, as of March 31, 2020, disbursed public investment capital of VND1,846 billion, equaling 11.3% of the plan, 8% higher than the same period.

In the context of the Covid-19 pandemic, promoting disbursement of public investment is considered an effective solution to support growth from now to the end of the year and the coming period.



More consistent and drastic solutions needed

In Directive 11/CT-TTg on urgent tasks and solutions to remove difficulties for production and business, and ensure social security in response to Covid-19, Prime Minister Nguyen Xuan Phuc has requested ministries, branches, localities and State corporations to regularly check and take measures to remove difficulties and obstacles to ensure the progress, volume and quality of work. The Prime Minister has assigned the Ministry of Transport to urgently complete procedures and promote disbursement and implementation of large-scale and important public investment projects that have spillover effects and create motivation for socio-economic development. In particular, it is necessary to study and propose the conversion from investment in the form of public-private partnership (PPP) to public investment for key infrastructure projects such as: My Thuan - Can Tho Expressway Project, component investment projects of the North-South expressway construction project in the period 2017-2020. Recently, the Prime Minister directly inspected the construction progress of Trung Luong - My Thuan Expressway in Tien Giang province.

In addition, to accelerate the disbursement of public investment capital as a driving force for economic development, on April 6, 2020, the Prime Minister also signed the issuance of Decree 40/2020/ND-CP, detailing the implementation of a number of articles of the Law on Public Investment. In particular, sanctions should be imposed on organizations and individuals delaying the disbursement of public investment. In particular, agencies that do not fully allocate assigned capital will also be considered for withdrawal and transfer capital to other units in need before June 30 every year.

According to Minister of Planning and Investment Nguyen Chi Dung, ministries, branches and units have been actively involved in the development process to find solutions to increase the speed of disbursement of public investment. For example, in the second quarter of 2020, three component projects under the North-South Expressway Project in the east, including Mai Son - Highway 45, Highway 45 - Nghi Son and Phan Thiet - Dau Giay are converted from public-private partnership (PPP) investment to public investment.

In addition, a number of projects have been named by the Prime Minister, and projects that have spillover effects on the economy, are also being reviewed. Local authorities also proposed specific solutions for each project, based on the principle of entanglements and regulations for each project. Hanoi will set up a steering committee and a task force to review and remove bottlenecks, quickly implement public investment. The city proposes a number of other solutions to remove obstacles and accelerate the implementation of projects. In the coming time, Ho Chi Minh City will also issue a process to manage annual public investment plans, proposing the Government promulgate a resolution on "specific" mechanisms and processes to shorten the time for compensation, support, resettlement and handover of ground as a basis for speeding up the implementation progress of projects. At the same time, the city will disseminate and thoroughly grasp the provisions of the Law on Public Investment and the related decrees and documents, ensuring strict observance of the provisions of the law on public investment.

In fact, in recent years, Vietnam has never fully disbursed public investment under its annual plan. Disbursed capital in the following year even tends to decrease year on year. Specifically, in 2016, 97.8% of the plan was disbursed, only 94.4% in 2017; in 2018 it was 92.3% and in 2019 it was 89.5%. Therefore, to complete the plan of 100% disbursement of public investment capital in 2020, it is necessary to take fierce action of ministries, branches and localities. Accordingly, each investor also needs to develop a detailed monthly disbursement plan, which serves as a basis for operating the disbursement plan. ■

(from P.24)

implemented in countryside areas are closely linked to the New Countryside Development program like the integration of agricultural, farmer and rural support projects, national target programs and capital of socialization. Besides, for mountainous and border provinces, due to complicated terrain conditions and large investment norms compared to lowland provinces, the Government also needs to increase the level of direct capital support for the program, especially development investment capital.

In the period of 2021 - 2025, the Central Steering Committee of the National Target Program for New Countryside Development sets the target of having at least one province recognized by the Prime Minister to complete the task of building a new countryside; 100% of the Northern mountainous provinces have at least one district-level unit that meets/completes the task of building a new countryside, in particular, encouraging the recognized districts in the 2016-2020 period to continue striving to become model new rural districts. The specific New Countryside Development programs and projects approved will also continue to be accelerated, with priority given to difficult areas, ethnic minority and mountainous areas; and diversifying and integrating resources to improve investment efficiency, especially essential infrastructure works for socio-economic development (transport, electricity, water, schools, health stations), and ensuring connectivity and proper response to climate change. ■

(from P.10)

VND3-4 trillion in 2020.

Mr. Do Quang Hien, Chairman of Saigon - Hanoi Commercial Joint Stock Bank (SHB), said, with its current solutions to support customers affected by the Covid-19 epidemic, SHB estimates its profit will fall by VND2,300 billion in 2020, equal to 27% of its annual profit target. In particular, SHB projected that as many as 15,000 customers will be affected by the Covid-19 epidemic, with outstanding loans of over VND100 trillion, and will affect 40% of its yearly profit plan.

Tien Phong Commercial Joint Stock Bank (TPBank) also estimates that its revenue in 2020 will drop by over VND1,000 billion. Vietnam Bank for Agriculture and Rural Development (Agribank) forecast its total revenue will decrease by VND6 trillion and its profits will fall by 20% in 2020.

The launch of a series of measures adopted by banks is considered a very important step to proactively and promptly remove hardships for the economy, provide loans for customers and facilitate the economy to revive production and business activities after the epidemic. This move has also helped maintain macroeconomic stability, support economic growth and achieve good growth this year. ■



QUANG TRI ECONOMIC - INDUSTRIAL ZONES

Open Wide to Investors

In recent years, many investors have become increasingly interested in the economic zones and industrial zones of Quang Tri province. Mr. **Tran Quang Trung**, Deputy Director of the Quang Tri Economic and Industrial Zones Authority, granted an interview to Vietnam Business Forum on this issue. **Ngo Khuyen** reports.

Could you please describe the current performance of local economic zones and industrial zones, especially outstanding incentive policies for investors?

Quang Tri province is located in central Vietnam, covering a natural area of 4,740 square kilometers and having a population of more than 620,000. The province lies on the intersection of important transport arteries, including National Highway 1A, National Highway 9 on the East - West Economic Corridor (EWEC), and North - South Railway. With many border gates and seaports, Quang Tri has ideal conditions to expand trade, economic, service and tourism development.

Currently, Quang Tri province has two economic zones and three industrial parks included in the Vietnam Industrial and Economic Zone Development Plan: Lao Bao Special Economic and Commercial Area (Huong Hoa district) - the first model border-gate economic zone established in the province (in 1998), Dong Nam Economic Zone (Hai Lang, Trieu Phong and Gio Linh districts) - a coastal economic zone established in 2015 to create motivation for the development of the province and the central region, Nam Dong Ha Industrial Park (Dong Ha City), Quan Ngang Industrial Park (Gio Linh district), and Tay Bac Ho Xa Industrial Park (Vinh Linh district).

Thus, compared to other localities in the country, Quang Tri has industrial parks, border-gate economic zones and coastal economic zones, which are very favorable conditions for comprehensive socioeconomic development.

To date, funded primarily by central budget and partially by provincial budget, site clearance and construction of essential technical infrastructure like internal roads, power grids, and water supply and drainage systems have been completed to meet basic needs of tenants in Lao Bao Special Economic and Commercial Area, Nam Dong Ha Industrial Park and Quan Ngang Industrial Park.

Dong Nam Economic Zone, covering a total area of 23,792 ha, was established under the Prime Minister's Decision 42/2015/QĐ-TTg dated September 16, 2015. Currently, the province is actively carrying out subdivision planning, land compensation and site clearance to build infrastructure for tenants. Many domestic and foreign

strategic investors have come to learn and conduct investment procedures to implement their projects.

Tay Bac Ho Xa Industrial Park had the detailed plan approved by the Provincial People's Committee and submitted to the Government for approval to grant investment licenses to infrastructure developers and secondary investors.

Lao Bao Special Economic and Commercial Area is entitled to the highest preferential policies in the framework of Vietnamese law. It piloted some new economic management mechanisms before being scaled up nationwide. Dong Nam Economic Zone is entitled to preferential policies applied to very poor localities under investment laws.

What do you think about investment attraction and tenants' performance in local economic and industrial zones?

Over the past years, the Quang Tri Economic and Industrial Zones Authority has: taken strong action to reform administrative procedures and improve the investment and business environment; strengthened investment management; boosted investment promotion activities; and supported businesses to make development steps. Therefore, the face of local economic and industrial zones has undergone positive changes. Local economic and industrial zones are attracting more investment projects and investment value.

On investment promotion, the authority has worked with many potential and prospective strategic investors of economic zones and industrial zones, especially in Dong Nam Economic Zone. Particularly, Daewon Group (South Korea) has agreed to invest in a 571-ha multi-sector industrial park; C&N Vina Co., Ltd. (South Korea) has completed planning documents for subdivision planning to invest in 618-ha Korea - Quang Tri Industrial Park; EGAT International Company Limited (EGATi) of Thailand is currently actively preparing financial matters, procedures, land compensation and site clearance to carry out the Quang Tri BOT thermal power plant project; My Thuy Port is also completing procedures for construction; and Gazprom Group (Russia) is implementing the 340-MW gas power project.

To date, economic zones and industrial zones have attracted 153 investment projects with a total registered capital of VND86,068.3 billion, including nine foreign-invested projects with VND55,920 billion. Of the sum, 99 projects with VND8,569 billion in investment capital are operational and 47 projects are under construction. In 2019, economic zones and industrial zones drew 16 new investment projects with a total registered capital of VND17,248 billion. The fresh projects hired 754 ha of land.

In addition, the authority is guiding investors to complete investment procedures for 12 projects with a total registered capital of VND225,833 billion, including some large-scale motive projects of giant domestic and foreign corporations in Dong Nam Economic Zone.

On business results, tenants in the industrial zones and economic zones have achieved better business outcomes and contributed more to local economic and social development. All business indicators have grown over 10% year on year.

In 2018, tenants made the total industrial production value of more than VND4,850 billion, up 21% over 2017; paid VND368 billion to the state budget, up 10% over 2017; and employed more than 6,000 workers, with average monthly income of VND5.9 million.

In 2019, they achieved VND5,500 billion of industrial production value, up 13.4% over 2018; paid VND420 billion to the state budget, up 14.4% over 2018; and employed 7,500 workers with average monthly income of VND6.2 million.

How has Quang Tri stepped up investment promotion to attract large potential businesses and high technology projects?

Quang Tri is still facing a lot of difficulties, especially in calling for investors. Thus, in the past time, the province focused on calling and assessing small and medium-sized projects in Quang Tri, neighboring provinces and some regional countries like Thailand and China.

But, in recent years, to carry out the Resolution of the 16th Provincial Party Congress (2015 - 2020 tenure) on focused investment in construction and development of industrial zones and economic zones to create motivations for sustained and effective socioeconomic development, Quang Tri province has actively carried out the Action Program to improve business environment, enhance provincial competitiveness, build and launch the economic restructuring project linked to the change of growth model. The province has adopted the plan to carry out the Action Program under Government Resolution 35/NQ-CP on business support and development to 2020. The province accelerated investment promotion and attraction of key projects into local economic zones and industrial zones, especially Dong Nam Economic Zone. Quang Tri has taken advantage of central support and assistance to mobilize and implement ODA projects and capital sources managed by central ministries and branches to fund important projects. In particular, the province defined administrative reform as the most important solution to create a favorable business and investment environment for people and businesses.

In recent years, the whole administrative apparatus of Quang Tri has always paid attention to administrative reform, improved the business and investment environment, and enhanced the Provincial Competitiveness Index (PCI) to draw more investment



capital. Thus, all administrative procedures are published on the National Administrative Database on the province's websites, managed by various agencies. In addition, the province has actively removed difficulties for businesses. The Provincial People's Committee organized regular dialogue conferences, maintained business coffee talks, and closely supported businesses to deal with emerging hardships and obstacles.

At the same time, the province has supported businesses and investors in trade promotion, land compensation, site clearance, and access to land. In order to diversify trade promotion, Quang Tri has carried out investment promotion activities through diplomatic events for economic development such as Japan meetings, United States meetings and Kansai (Japan) meetings with central provinces of Vietnam. In an effort to boost investment promotion, the Quang Tri Economic and Industrial Zones Authority also changed its viewpoint and approach to court potential, motivational and breakthrough projects and high-tech projects in such fields as infrastructure in economic and industrial zones, heavy industry, industrial equipment, supporting industry, environmental industry, new and renewable energy, processing industry, foodstuff industry, electricity and electronics, high-tech agriculture and high-class resort.

Determined to make reasonable reforms and support investors and businesses, Quang Tri will continue to be a destination for investors in the future. With an anticipated new investment wave, local economic zones and industrial zones will make more positive, impressive and effective contributions to motivate and leverage local development and help the province reach average development level among localities of Vietnam, as stated in the Resolution of the 16th Provincial Party Congress.

Thank you very much!

Consistent Solutions Needed for High Quality Human Training at SMEs in Nghe An

Entrepreneur training in Nghe An

According to a report released by the Department of Planning and Investment, Nghe An province has a total of over 20,000 businesses with about VND10 trillion of registered investment capital, mostly from micro, small and medium-sized enterprises (MSMEs). The business sector contributes 60% of the province's budget revenue. Nghe An province-based enterprises are engaged in various industries, with the trade and service sector accounting for the largest share of 32.19%, followed by the construction sector with 24%, the mining industry with 12.64%, the agriculture and forestry with 5.4%, and the fishery with 0.26%.

However, not many businesses have good human resource management (HRM) policies, strategies and approaches. Very few small and medium-sized enterprises (SMEs) have long-term personnel plans. In addition, job analysis, recruitment, performance evaluation and skills development training have not been performed methodically and effectively. Nghe An people are industrious and diligent, but, according to employers, their capacity, especially the sense of responsibility and labor discipline, are not high.

On December 5, 2012, the Nghe An Provincial People's Committee issued Decision 4892/QĐ-UBND approving the project on fostering entrepreneur force for 2012-2015, with a vision to 2020. In the past seven years, the Department of Planning and Investment has worked closely with the Public Affairs Department under the Provincial Party Committee, Nghe An Economic University, business associations, entrepreneurs and related agencies to successfully organize 115 seminars for 9,516 people, including 25 entrepreneurship classes, 41 business administration classes, especially 16 advanced administration classes for chief executive officers (CEO) and 18 symposiums. Attendants are business leaders, managers and owners.

In additional classes opened in collaboration with Nghe An Economics University, business associations, the North SME Development Support Center, the Business Development Department, VCCI Nghe An Branch, provincial departments also organized training courses and dialogues when there are new policies related to business.

However, annual business training courses are only short-term, theme-based, and not really as effective as expected.

Humans are decisive to the operation of any organization, including business. Human resources are one of the inputs that determines the result as well as the long-term development of any company. High-quality human resources are a top concern of all companies. Therefore, in the past years, Nghe An province has fostered the entrepreneur force and obtained initial achievements.

Dr. DINH VAN TOI

DIRECTOR OF CENTER FOR FOREIGN
LANGUAGES AND COMPUTER SCIENCE, NGHE
AN ECONOMICS UNIVERSITY

According to surveys, many CEO training classes are attended by only administrative officers and accountants, making the goal of 100% of business leaders and managers with a firm grasp of basic knowledge about corporate governance unachievable. Besides, classes lectured by invited professors from universities and institutes in Hanoi and Ho Chi Minh City do not provide the knowledge that SMEs really need. The provincial budget for entrepreneurship classes is too small while the cost of a course is high, forcing course organizers to reduce the training time, contents or invite less qualified lecturers and speakers.

Currently, enterprises really need qualified human resources. Foreign enterprises firms are spending a lot to recruit talent from universities, but SMEs in Nghe An have not paid much attention to this issue. Businesses and schools lack close cooperation for mutual benefits because there are no policies allowing businesses to invest and cooperate with schools. The schools themselves have not adapted well to integration initiatives and take necessary skills

for a smart and industrialized economy.

Consistent personnel training solutions for SMEs needed

To raise high quality human resources for SMEs in Nghe An province, it is necessary to launch consistent solutions, with key tasks being worker recruitment, training and re-training in the long term.

First, human resource training needs to go in line with economic development

Training human resources in line with business development is a must. This is one important requirement helping businesses recruit personnel as they want. Human resource training solutions will be clearer and more reasonable, consistent with the current size, style and corporate culture.

It is necessary to integrate business and development strategies to plan human resources for divisions in a reasonable manner. What are staff positions in a department? What are the job tasks of the staff? What are the needs of the business? What skills are needed?

The company needs an employee evaluation and survey report to figure out training and human resource policies for its right business direction. Thus, human resource training solutions will surely bring great benefits for long-term



Dr. Dinh Van Toi presents the certificates to businesspeople accomplishing a training course

economic development.

Second, encouraging employees to self-study and organizing annual training programs

Businesses need to coordinate with education and training facilities to provide access to advanced training for their employees. It helps their employees improve their own qualifications even while they are at work. It is necessary to organize personnel training courses, improved and developed by new and old personnel flows and senior and inferior levels to have best personnel training solutions.

Employees are supported to have self-study and self-development. Periodically delivering skills materials via email or organizing rewarding emulation programs is also a way for employees to self-motivate learning and practice right at the business.

Third, employing the right persons in the right place and creating a learning environment in the business

These are two solutions to highly-qualified training and very important for human resources development. In new personnel recruitment and training plans, there is a need for talent development criteria. Discovering, fostering and employing talents in the business in a reasonable manner will produce high results in business performance and development. Creating a learning environment is extremely important to develop employee talent. Specifically, companies must discover, foster, recruit and employ high-quality and talented human resources and must capitalize on their gray matter in research, manufacture and application of research results, and encourage them to learn and improve professional qualifications and skills, thus building a powerful force of top-tier officials and expert specialists in all fields, organizations and businesses.

Enterprises need to implement solutions for training human resources in the short term and in the long term. At the same time, they need to organize online training solutions, promote employees' self-learning and self-improvement. Through online human resource training courses, they can grasp what employees are aiming for, thereby developing their competencies in the right place and enhancing the work performance by 3-4 times.

Fourth, in order to make the best use of training resources that are right for them, businesses and schools must actively work together and cooperate for mutual benefit

The "thirst" for high quality human resources in enterprises will be difficult to be solved, without understanding and cooperation between schools and businesses, especially in the context of the Fourth Industrial Revolution. The nature of the

Industrial Revolution 4.0 is based on the foundation of digital technology and the integration of advanced smart technologies to create a series of changes in technology, management and many new industries. In particular, Industry 4.0 will result in major changes in labor supply and demand, posing challenges to the labor market and changes in the labor structure. Therefore, training high quality human resources will be an urgent issue.

Training employees is also much different than earlier. Previously, we specialized in one-sector technical training, but now the boundary of industries is increasingly blurred and technology-linked cross-sector trends become common.

So, how to train students with interdisciplinary skills is important.

Currently, high quality human resources are inadequate and impossible to meet practical requirements. This requires universities to consider and research the needs of industries and industrial enterprises to figure out what the market needs, and will need in the future.

In order to train quality human resources suitable for the future workspace, some skills such as problem solving, team-working and digital knowledge are top skills for students to adapt to the working environment in the era of the Fourth Industrial Revolution.

The supply-demand link between schools and businesses is very important. It helps the former understand and capture the needs of the latter in technique, technology and especially knowledge, skills and competencies of candidates applying for positions in enterprises, thus helping the former build appropriate training programs. In addition to improving training quality, schools need to shift training towards what the market needs. Students gain career skills and access to businesses, and foster soft skills. Schools need to send students to experience real production at businesses and deploy cooperation training programs before they recruit.

For that reason, small and medium-sized enterprises (SMEs) in Nghe An province need to proactively develop and implement policies on training and developing human skills. Then, they can have a high quality workforce and solve business problems because, after all, the quality of human resources will determine both strategic success and financial success at any business. In fact, training will equip skills to meet current and future jobs, combining on-the-job and off-the-job training forms for employees to apply their knowledge to work and improve their creativity and boost the performance of the business. ■



GIANG DIEN INDUSTRIAL PARK

Customers Are the Center, Customer Success Is Motivational

As a model industrial park of Dong Nai province, Giang Dien Industrial Park is now a leading light in investment attraction in the province as it is a destination for dozens of well-performing tenants. Many big investors have also put their long-term business there.

THANH TUNG

Giang Dien Industrial Park has become an attractive address for domestic and foreign investors in Dong Nai because of its favorable location, convenient transportation, good technical infrastructure, and effective service for tenants and workers. As a model industrial park with developed urban and service areas, Giang Dien Industrial Park has also planned supporting areas such as warehousing, logistics, restaurants, utility stores, coffee shops, banks, customs services, post offices, and offices for lease to investors and partners. The highlight is the 100-ha Giang Dien Serviced Residence located adjacent to the industrial park. The residence, surrounded by important utilities (e.g. schools, kindergartens, hospitals, green parks, entertainment and recreational centers, sports and physical training facilities), offers the best living and working environment for experts and workers,

designed to assist the sustainable and effective development of Giang Dien Industrial Park.

Sonadezi Giang Dien Joint Stock Company has also invested in other facilities such as power grid, water supply system, telecommunication network, wastewater treatment plant, fire protection system, banks and internal roads to meet tenants' investment and business expansion needs. In addition, the appeal of the industrial park lies in its rich and diverse products: The industrial land for lease is always available for an area of 10,000 square meters or more and ready-built factory for rent or sale with a flexible area of over 5,000 square meters is also available to meet diverse needs of investors regardless of their size.

Soft infrastructure with a variety of support services and the dedication of the developer are a huge plus for Giang Dien Industrial Park. To reduce trouble, save time and cost for businesses and investors,

Sonadezi Giang Dien Joint Stock Company always pays attention to accelerating administrative reform and streamlining investment procedures. The company also works closely with Dong Nai Industrial Zones Authority to timely support and remove all difficulties faced by local enterprises and investors and provide most favorable conditions for them.

The dedicated support and the guarantee for rights and interests of tenants has made Giang Dien Industrial Park an attractive destination, a long-term production base for renowned companies like Kenda Rubber Co., Ltd, Hokuriku Co., Ltd, Hans Vina Co., Ltd, Global Powersports Manufacturing Inc. (GPMI) and Air





Manufacturing Innovation Vietnam Co., Ltd. Tenants are employing advanced technologies to make high quality products, rich in intellectual content and strongly competitive on the market. In the past time, tenants' manufacturing in Giang Dien Industrial Park has been constantly expanded to contribute positively to local socioeconomic development. Not only creating jobs for thousands of local people, tenants have also imported advanced techniques and management experience, increased export capacity, and actively supported the province in the course of industrialization, modernization and international economic integration.

Ms. Nguyen Thi Hanh, General Director of Sonadezi Giang Dien Joint Stock Company, said, since its establishment, Giang Dien Industrial Park has always focused on building a long-term, close relationship with customers and delivered higher values to customers. That is why so many investors are confident when they choose the industrial park to locate their long-term production bases. Since its establishment, Giang Dien Industrial Park has not only added to the appeal of the local investment environment, but also promoted local economic restructuring towards industrialization and modernization. By promoting initial achievements, in the coming time, Giang Dien Industrial Park will improve its competitiveness by upgrading infrastructure, completing support services to better meet tenants' needs, thus attracting more potential investors that will in turn support Dong Nai province to boost socioeconomic development and become one of the dynamic economic regions of the Southeast region and of the country. ■



Investing in Harder Land to Spread Greater Value

Could you briefly introduce the development journey as well as orientations for the upcoming time?

The past 15 years have been an emotional journey full of experiences for me and other employees at Hacom Holdings. We started business when the country was opening up. We had many opportunities but also faced a lot of challenges. With determination and enthusiasm, Hacom Holdings obtained some significant achievements. We are engaged in many areas like real estate investment (commercial, social and hospitality property), renewable energy (solar power and wind power), tourism services, infrastructure construction, and civil engineering.

Specifically, Hacom Holdings is carrying out many large-scale renewable energy projects, including VND1,200 billion Hacom Solar Power Plant (50 MW installed in the first phase, 50 MW added in the second phase), VND4,800 billion Hacom Bac Lieu Wind Power Plant (120 MW), VND2,500 billion Hacom Dak Nong Solar Power Plant (110 MW), and VND1,200 billion Hacom Quang Tri Solar Power Plant (50 MW).

In real estate business, Hacom Holdings has developed a lot of projects like 60-ha Dong Bac Urban Area in Phan Rang - Thap Cham City with VND1,200 billion of investment capital for infrastructure construction and VND1,500 billion for above-ground facilities (Hacom Mall, social houses); 52-ha Binh Son Ocean Park Urban Area (costing VND5,000 billion) in Ninh Thuan province; and 24.6-ha Binh Son Marine Park (VND400 billion), Nguyen Thien Thuat Road in Nha Trang City, Khanh Hoa province (VND200 billion).

In addition, Hacom Holdings and its member companies are investing and researching many projects involved in property, renewable energy, economic zone, industrial zone and hotel projects in many provinces and cities like Hanoi, Nam Dinh, Lam Dong, Ba Ria-Vung Tau, Ha Tinh, Quang Tri and Bac Lieu.

In the coming time, Hacom Holdings will promote the spirit of "innovation - prestige", become an innovative and prestigious investor in every locality where its investment is located. The firm will contribute to the society, build and renovate the urban face, increase incomes and livelihood quality of local people. It will side with local authorities to build infrastructure and help



After 15 years of development, Hacom Holdings has been increasingly affirming its prestige and brand name in real estate investment, renewable energy, infrastructure construction, civil construction, and travel services. Mr. **Tran Phu Chien**, Chairman of the Board of Directors of Hacom Holdings, gives an exclusive interview to Vietnam Business Forum on the company's development, especially its activity in Quang Tri province. **Song Uyen** reports.

localities develop inclusively in all fields.

In Quang Tri province, Hacom Holdings plans to invest in many projects. Would you tell us about these projects as well as the efforts of Hacom Holdings in completing them?

Right after we started investment exploration in Quang Tri province, Hacom Holdings asked the province for support to make the overall planning of Dong Ha City and key economic zones for effective and sustainable development of Quang Tri province. We worked with the leading U.S. planning consultant, Belt Collins, to do this task. Currently, the parties are discussing the next working steps.

In the planned areas, Hacom Holdings asked the province to assign the company to research and implement some renewable energy, economic zone and real estate projects, which will give a new facelift to the city, spur economic growth and improve people's livelihoods. Hacom Holdings also proposed carrying out 50-MW Hacom Quang Tri Solar Power Plant (which was submitted to the Ministry of Industry and Trade for appraisal and approval), and 70-MW Cam Nghia Wind Power Plant (approved by Provincial People's Committee for additional study, expected to be submitted to Ministry of Industry and Trade for approval soon).

We have arranged the resources and finance and set schedules on progress pace and completion. We will use advanced construction methods to complete and operate them as soon as

possible. We will create more jobs and higher incomes for local people and create resources for later stages.

What made Hacom Holdings decide to invest in Quang Tri province?

Not only serving as a bridge that connects the north and the south of Vietnam, lying on national arterial roads, railways and waterways, the beginning point of the shortest trans-Asia route linking Myanmar, Thailand and Laos to the East Sea, Quang Tri has a lot of potential: A 75-km coastline with many beautiful and pristine landscapes and deep-water seaports, a 200-km borderline with Laos, a long sunshine time in a year, high wind speed, and specially the motivational



In 2012, Hacom Holdings decided to expand investment in real estate.

The firm did not choose provinces and cities with favorable locations and developed economies but Ninh Thuan - a poor province - for its investment projects. From the first project, the 24.6-ha Binh Son Marine Park, and then a series of later projects, Hacom Holdings invested trillions of Vietnamese dong and spent five years to get the outcome. However, these efforts have produced great achievements. To date, the firm's projects are operating very well and producing revenue and profit for the company while adding new vitality to the real estate market, creating a driving force for economic development and radically changing the urban appearance of Ninh Thuan province.

The values made by Hacom Holdings have been multiplied as they are achieved in a poor province like Ninh Thuan. This proves the foresight of the Board of Directors and well-prepared investment of Hacom Holdings in its business approach "Investing in harder places to spread greater values". Until the early days of 2020, from Ninh Thuan - a poor province in the southern tip of the South Central Coast, Hacom Holdings continues another hard journey to Quang Tri - another poor land in the North Central Coast. Many new ideas and projects are, and will be, implemented by Hacom Holdings in Quang Tri with this spreading aspiration and value chain. ”

Dong Nam Economic Zone established in 2015 by the province. These are favorable conditions for development. Quang Tri has a lot of revolutionary historical sites. We are the next after the generation that fought and died for this land. We are inspired and realize that we must have the responsibility to make Quang Tri grow strongly to match with the great victory built on the sacrifice of our ancestors.

What are your difficulties and obstacles when investing in Quang Tri province? What are your recommendations?

Insufficient transport infrastructure systems, seaports and border gates plus low population density and low income of local people are clear challenges for any investor coming to the province. But, these challenges motivated Hacom Holdings to



Hacom Mall Project- Northeast Urban Area, Phan Rang - Thap Cham city, Ninh Thuan province



Hacom Solar Solar Power Plant



Operating area of Hacom Solar Power Plant

come to this land with money and wisdom to unlock development resources for businesses and for the province.

When we came here and met with the provincial government, we received positive support and valuable investment promotion information from relevant agencies. We clearly felt local leaders' determination to change and develop. That made us confident and look forward to carrying out our investment projects in Quang Tri province.

We expect to receive stronger support from authorities at all levels in quickly solving procedures relating to investment licensing, land allocation and site clearance. So, we can soon start contributing our efforts to make Quang Tri province stronger and stronger.

Thank you very much!

Domestic Tourism to Bounce Back as Social Distancing Eases

For the past three months, the Covid-19 pandemic has rocked many major economic sectors, especially tourism and travel. More than 20% of businesses have stopped operations, 40% shutting business locations to wait for new development and 90% witnessing revenue decline, estimated at billions of US dollars. Markets, segments and development strategies needed to maintain and develop tourism are topics of concern for many businesses.

THU HUYEN



Domestic market will develop most after the pandemic

The government lifted the social distancing order from 0:00 on April 22. The domestic tourism market is forecast to develop most after this time. Localities, suppliers and hotels are simultaneously offering stimulus packages to meet increasing entertainment needs of travelers after a long time staying at home to prevent the disease contagion. Short-day, weekend tourism products of competitive and attractive prices interest tourists more.

Mr. Duong Hong Tuan, trainer at Vietiso Company, said that some forms of domestic tourism are highly developed such as individual tourism and group travel. This will be a trend in the near future as it is becoming more popular in the world. In addition, experience tourism and medical tourism will be a matter of interest for many travelers.

Mr. Vu Van Tuyen, Director of Travelogy, a co-consultant for European tourism projects in Vietnam, said that the domestic

tourism market will, however, face many restrictions and difficulties, both subjective and objective, after the epidemic. The regulation that coaches and airplanes cannot carry more than 50% of their capacity will result in very high service costs. In addition, not all localities are ready to reopen their tourist areas immediately, as they will apply many measures to protect citizens and tourists such as distancing, no crowding and other preventive measures.

“Currently, popular tourist destinations in Vietnam such as Da Nang, Nha Trang, Phu Quoc, Mui Ne and southern resorts are safe and prepared to welcome guests. Tourism businesses are working to welcome domestic tourists. They must introduce good, distinctive products to attract more customers,” he recommended.

When will inbound tours bounce back?

Unlike the domestic market, foreign visitors to Vietnam (inbound market) will not be able to respond quickly in the near term even though Vietnam has the best disease prevention in the world. The Government may soon announce the end of the epidemic and allow inbound tourists to Vietnam, but many countries will have to do it later. Most tourists will not be ready to travel during this time, especially to countries where the epidemic outbreak occurred. Tourism experts forecast that foreign tourists will not come back to Vietnam until the end of the third quarter or the fourth quarter of 2020. Thus, inbound companies will return to normal operation in the first quarter of 2021.

Mr. Tuyen said tourists will tend to choose resorts for health and social safety, but inbound travelers are often different: They want to be safe on the one hand and they like new experiences on the other hand. Therefore, community-based tourism will thrive. For example, tourists will choose countryside tours and homestay tours. A survey conducted by Travelogy in inbound tourist markets such as France, Canada, Belgium, the United States and Switzerland showed that up to 40% of respondents will choose upmarket tours and willingly pay much for their tours after the epidemic. More than 40% want to opt for experience tours.

Another branch of inbound tourism is business travel. MICE tourism is forecast to revive slowly because of quarantine fears after arriving in the country where the epidemic occurred or transiting through countries where the epidemic also occurred. Especially, meetings, incentives, conferences and exhibitions (MICE) tours will be limited because it usually takes at least half a year or



one year to prepare. So, this activity will be difficult in 2020.

Many inbound travel companies are now reportedly preparing to launch stimulus programs and combos. However, according to Mr. Vo Van Tai, Director of Vietsens Tourism Company, tour discounts are not the optimal choice because transport costs are increasing and service prices are unlikely to be reduced. Service providers have not opened all products and services, so the discount will make it more difficult for tour operators and restrict inbound travel companies from selecting service providers after the pandemic.

Travelogy Director Tuyen said that inbound businesses suffered heavy economic losses in two quarters. They should join hands to launch product and destination marketing. They should opt for spreading the image "Vietnam is an attractive and friendly destination" rather than a discount-based stimulus because Vietnam has prevented and controlled the epidemic very effectively. The discount will not fully satisfy the high demand of inbound travelers who are often selective about the quality of products and services.

Covid 19 is like a powerful whirlwind that blows up companies' business development efforts. In a crisis, there is always an opportunity for businesses that know how to seize it. Travel businesses need to develop specific strategies for short-term and long-term purposes to attract customers. ■

Online Tourism Adapts to Changes

Applying advanced technologies to online tourism is considered a matter of interest for those seeking opportunities and building new approaches for future sustainable development.

GIANG TU

The tourism industry of the world, including Vietnam, is adversely affected by the Covid-19 epidemic as almost all operations are being crippled. However, difficulties and challenges induced by the disease also changed the world's tourism industry in a new way.

Faced with the cancellation of the Cherry Blossom Festivals in Japan, South Korea and the United States, Japan shifted to apply online tourism to help tourists to visit and experience the events via smart devices in the best manner. In addition, the fact that more than 2,500 renowned museums and opera houses cooperated with Google Arts and Culture is also a good example of the online application to introduce free virtual tours to the public

through digital applications. This affirmed great advertising effects. In particular, the Guardian, a famous British publication, introduced Son Doong Cave (in Quang Binh province, Vietnam) to the list of 10 virtual reality tours worth visiting in the world. This attracted great interest of tourists exploring the landscape through the display of smart devices. This is showing that the world tourism industry has adapted to changes caused by the Covid-19 epidemic.

In Vietnam, online tourism has been promoted amid the Industry 4.0 boom, by many famous travel websites like Amazing Vietnam, Lonely Planet and TripAdvisor. During the Covid-19 epidemic breakout, as physical facilities have to shut down, thousands of





businesses have focused and stepped up online tourism to keep their business running.

Mr. Le Xuan Kieu, Director of Van Mieu - Quoc Tu Giam Cultural and Scientific Activity Center, said, the center has launched the “360-degree tour” on the website to help visitors to learn about monuments no matter where they are. During this time of pandemic, the monument has been temporarily closed and the center has switched to online promotion through YouTube channel. News and photos are updated regularly to attract tourists.

Many businesses have applied technology to bring tourists to destinations outside Hanoi. Although physical

tourism activities in Lan Ha Bay (Hai Phong) and Ha Long Bay (Quang Ninh) have to be paused, online tourism, launched via websites of tourism companies, is still quite active.

Hoang Quynh, Marketing Director of Oriental Sails, said the website www.orientalsails.com provides a lot of useful information and images about yacht service on Ha Long Bay and Lan Ha Bay, enabling local residents and domestic and foreign tourists to seek services and destinations even from their home. This is also a “hibernation” for businesses to enhance services, online systems and social networks to achieve booming development after the epidemic ends.

Mr. Tran Duc Hai, Director of the Hanoi Department of Tourism, said, this is a good time for companies to proactively promote technological application to manage their work and help local people and tourists far and wide to have more useful travel information. Developing online tourism will help them affirm their brands and promote their images in an effective manner and create a foundation for sustainable development in the future.

However, in order to effectively develop online tourism, according to Mr. Vu The Binh, Standing Vice Chairman of the Vietnam Tourism Association, travel firms and destination managers need to clearly identify goals and plans of action and have workable solutions. In fact, when launching online tourism, many companies have not taken full advantage of technological potential. The simultaneous launch of various solutions, including increased personnel training of information technology, also needs to be a focus.

When the Covid-19 pandemic ends is uncertain; meanwhile the tourism industry has been seriously affected as almost all operations have been closed down. But, difficulties and challenges have also inspired enterprises to seek opportunities, build new approaches and speed up technological application for future sustainable development. Hopefully, with this adaptation, Vietnam's tourism is well prepared to make a substantial change in quality and quantity, to catch new opportunities after the epidemic. ■

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- Best rental price compared to others in surrounding industrial areas.

For more information, please contact:

Website. www.sonadezi-giangdien.vn | **Email.** szg@sonadezi-giangdien.vn | **Tel.** +84.0251 3833 388 (ext. 199)