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**TOWARD ASEAN-U.S. COMPREHENSIVE  
STRATEGIC PARTNERSHIP**

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U.S. President Joe Biden and ASEAN leaders at the ASEAN-U.S. Special Summit in Washington DC.

# Toward ASEAN-U.S. Comprehensive Strategic Partnership

The Member States of the Association of Southeast Asian Nations (ASEAN) and the United States gathered on the occasion of the ASEAN-U.S. Special Summit, the first-ever to be held in Washington, D.C., on 12-13 May 2022.

**A**SEAN and the U.S. emphasized the importance of adhering to key principles, shared values and norms enshrined in the Charter of the United Nations, the ASEAN Charter, the Declaration on Zone of Peace, Freedom and Neutrality (ZOPFAN), the Treaty of Amity and Cooperation in Southeast Asia (TAC), the 1982 United Nations Convention on the Law of the Sea (UNCLOS), the Treaty on the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) and the ASEAN Outlook on the Indo-Pacific (AOIP).

ASEAN and the U.S. emphasized the cooperation between the two sides over the past time, since the first dialogue in Manila in 1977; and increasingly growing with the United States' signing of the Treaty of Amity and Cooperation in Southeast Asia; and with the founding of

the ASEAN-U.S. Summit.

The two sides reaffirmed their shared commitment to further strengthening and building the ASEAN-U.S. Dialogue Relations, which have long been indispensable to ASEAN and the United States, as well as the broader region and the international community, in order to continue promoting and maintaining peace, security, stability and prosperity in the region; to ensure that relations remain adaptable to meet new challenges; and to appropriately cooperate in international and regional fora of which ASEAN Member States and the United States are members.

ASEAN and the U.S. commit to establish an ASEAN-U.S. Comprehensive Strategic Partnership that is meaningful, substantive, and mutually beneficial at the 10th ASEAN-U.S. Summit in November 2022. The two sides look forward to the early completion of the necessary process.

ASEAN and the U.S. will continue to work together to respond to the Covid-19 pandemic, build better health security, and recover together. "We support ASEAN's pandemic recovery and health security efforts by strengthening regional and national health systems and capabilities, such as through the ASEAN-U.S. Health Futures initiative, and commit to adequate, stronger and sustainable global financing for pandemic prevention, 



**President Joe Biden (R) welcomes Prime Minister Pham Minh Chinh to the U.S. for the ASEAN-U.S. Special Summit**

and communication.

Regarding maritime cooperation, the two sides pledged to promote cooperation in the maritime domain through mechanisms led by ASEAN. "We are dedicated to maintaining peace, security, and stability in the region, and to ensuring maritime security and safety, as well as freedom of navigation and overflight and other lawful uses of the seas as described in the 1982 UNCLOS, and unimpeded lawful maritime commerce as well as non-militarization and self-restraint in the conduct of activities", said the Joint Vision Statement.

With respect to enhancing People-to-people connectivity, the two sides pledged to invest in human capital development, empowering youth and vulnerable or marginalized groups, and strengthening the

preparedness, and response, including supporting ongoing efforts with the World Bank and the World Health Organization," said Joint Vision Statement.

To strengthen economic ties and connectivity, the two sides are committed to continuing to advance stronger, more equitable, more inclusive economic growth and sustainable development, including through the implementation of the ASEAN-U.S.

The two sides will work together to meet the region's infrastructure needs by catalyzing investment in high-standard, transparent, low-carbon and climate-resilient infrastructure projects that advance inclusive and sustainable economic growth that meet applicable international labor standards and environmental protections.

ASEAN and the United States will continue to work together to promote trade and investment, and facilitate the strengthening of global supply chains and uninterrupted regional connectivity, including for essential commodities such as medical supplies, medicines, vaccines, food and agricultural products, commodities, high-tech products, and other essential supplies and services, contributing to sustainable economic recovery and resilience in the region.

The two sides will intensify efforts to deepen cooperation in transport connectivity, including land, air, and maritime, and in transport facilitation programs to promote sustainable infrastructure development and support emerging technologies, including electric cars.

In addition, the two sides are committed to improving cyber security capabilities, raising standards and digital inclusion for ASEAN; and strengthening frameworks and policies to promote productivity, innovation, information

connections between the peoples, among others, support for English language, digital skills, Technical and Vocational Education and Training (TVET) and Science, Technology, Engineering, and Math (STEM) trainings in the region, including through the Billion Futures Program and the Young Southeast Asian Leaders Initiative (YSEALI).

To leverage technology and promote innovation, the two sides are committed to continuing research and cooperation in mutually beneficial fields such as smart manufacturing, blockchain technology application, trade facilitation, digital connectivity, digitalization and e-commerce of MSMEs, e-services, digital financial services and regional payment connectivity, new and emerging technologies in line with relevant ASEAN agreements and frameworks.

In responding to climate change, the United States is committed to strengthening partnerships to bolster ASEAN's ability to improve resilience to natural disasters and adapt to the impacts of climate change, such as sea level rising, flooding, droughts and other extreme weather events.

Speaking at the reception of U.S. President Joe Biden at the White House, Vietnam's Prime Minister Pham Minh Chinh said "this is the right time for ASEAN and the U.S. to discuss new and better development milestones" and that maintaining peace and maintaining stability should be the top concern of both the bloc and the U.S.

PM Chinh said he hopes the U.S. would always support ASEAN to maintain its central role in the Asia-Indo-Pacific region, jointly contributing to building new



**U.S. President Joe Biden and ASEAN leaders at the White House on May 12**

directions for cooperation frameworks chaired by ASEAN, creating a "balanced and harmonious" environment in the region.

He also hopes that the U.S. and ASEAN would have sincere dialogues on the basis of trust and responsibility, and support the settlement of differences and disagreements, based on peaceful measures, in accordance with international law and the Treaty of Amity and Cooperation in Southeast Asia, a peace treaty among Southeast Asian countries established by the founding members of the ASEAN.

As part of his trip to the U.S. for the ASEAN-U.S. Special Summit, Vietnamese Prime Minister Pham Minh Chinh met with U.S. President Joe Biden, and received many U.S. government officials including U.S. Secretary of State Antony Blinken and U.S. National Security Advisor Jake Sullivan. He also delivered an important speech at the Centre for Strategic and International Studies (CSIS).

During the meeting with U.S. President Joe Biden, the two countries' leaders discussed bilateral relations as well as regional and international issues of mutual concern.

The Vietnamese Government leader stressed that Vietnam-U.S. relations are "special" as the two countries have overcome the pains and devastations of the war, and are actively cooperating to make the Comprehensive Partnership even more substantial and effective across all areas.

Vietnam wants the U.S. to continue to support and cooperate with Vietnam in areas where the U.S. has strengths and Vietnam has potential and needs, such as disease prevention and control, digital transformation, diversification of supply chains, climate change response, and human resources training.

President Biden said that he personally has a lot of affection for the country and the people of Vietnam. When he was still a Senator, he and his friend and colleague, the late John McCain, lobbied U.S. politicians to promote relations with Vietnam.

President Biden said that the U.S., as a leading developed country, is eager to cooperate and assist developing and less developed countries in various areas, including economic and trade development, disease prevention and control, and climate change response.

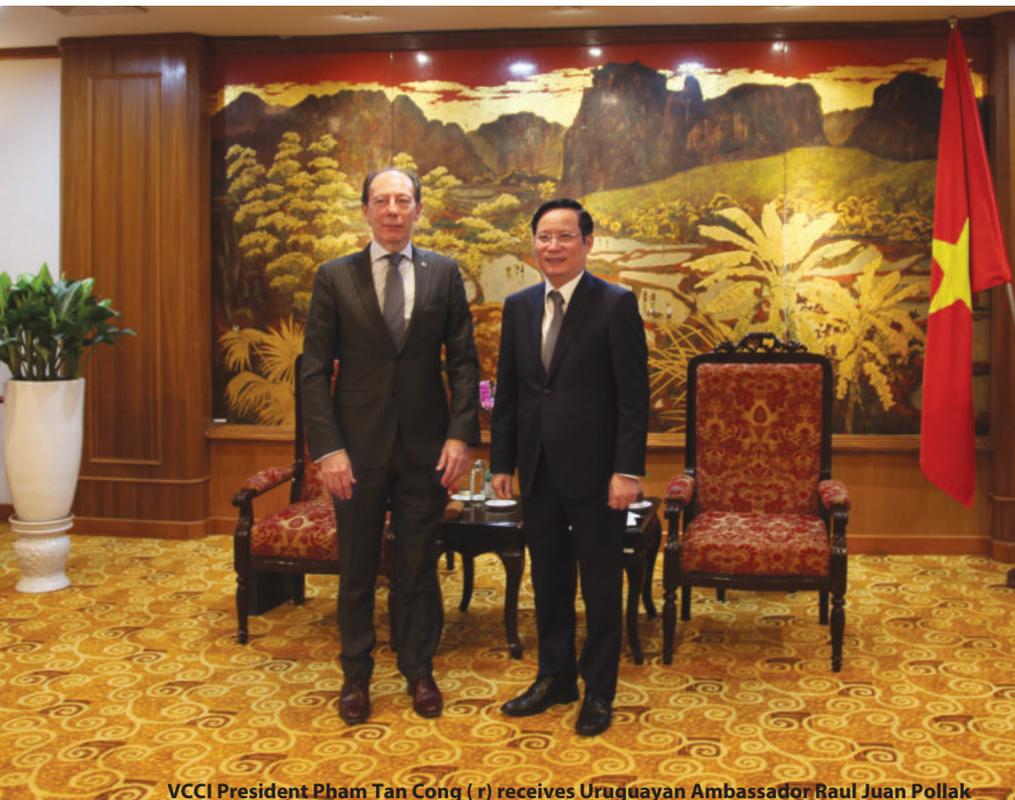
PM Chinh agreed that issues like climate change, pandemics, and other non-traditional security challenges are global issues that necessitate countries to have a global approach, and uphold multilateralism and solidarity to jointly address these problems.

The Vietnamese PM wished the U.S. would strengthen cooperation with and support Vietnam in the development of a green, circular economy, as well as diversifying supply chains and sustainable energy transition.

Discussing regional and international issues of mutual concern, President Biden and PM Chinh agreed on the need to respect the independence, sovereignty, territorial integrity, and political institutions of countries; refrain from the use of force, and peacefully settle disputes and conflicts on the basis of international law and United Nations' Charter; ensure freedom of navigation and overflight in accordance with the United Nations Convention on the Law of the Sea 1982 (UNCLOS 1982).

On this occasion, PM Chinh respectfully conveyed the invitations of Party General Secretary Nguyen Phu Trong and President Nguyen Xuan Phuc to President Biden to soon visit Vietnam. President Biden expressed gratitude and said he would arrange to visit Vietnam at a time that is suitable for both sides.

# Vietnam, Uruguay Look to Promote Business Cooperation



VCCI President Pham Tan Cong (r) receives Uruguayan Ambassador Raul Juan Pollak

**A**mbassador Raul Juan Pollak shared that despite the long distance between the two countries, Uruguay is eager to develop business cooperation with Vietnam.

Introducing some of Uruguay's strengths, Ambassador Raul Juan Pollak said that Uruguay has some of the leading large seaports in the region, convenient for trade connections. Uruguay's products such as beef and wine have conquered many markets around the world. Products of Uruguay and Vietnam are complementary to each other.

Ambassador Raul Juan Pollak affirmed that Uruguay attaches special importance to developing cooperation with Vietnam and highly appreciates the bilateral relationship in many fields over the past 29 years, expecting this good relationship to be raised to a new high.

Recently, President of the Vietnam Chamber of Commerce and Industry (VCCI) Pham Tan Cong had a meeting with Mr. Raul Juan Pollak, Uruguayan Ambassador to Vietnam.

**HUONG LY**

2023 will mark the 30th anniversary of diplomatic relations between Vietnam and Uruguay. For this occasion, Ambassador Raul Juan Pollak suggested that VCCI coordinate with the Embassy and the Uruguayan Chamber of Commerce to jointly organize welcoming events starting this year, including seminars and online discussions to connect businesses of the two countries, helping the two sides learn about each other's markets, needs and strengths, promote trade, and invest in potential fields and projects.

Ambassador Raul Juan Pollak expressed his hope that VCCI would strengthen coordination with the Uruguayan Embassy to enhance information exchange and facilitate connections between businesses of the two countries.

Agreeing with Ambassador Raul Pollak's proposal, VCCI President Pham Tan Cong affirmed that VCCI always attaches importance to the cooperation relationship with the Uruguayan Embassy.

Regarding trade cooperation, the VCCI President assessed that bilateral trade relations are still modest; there is still a lot of room for development. Both countries have their own strong products that can complement each other. Vietnam also has potential products that can be exported to Uruguay such as garments and footwear.

In addition, President Pham Tan Cong emphasized the necessity of continuing to promote cooperation in bilateral and multilateral frameworks, exchanging information on import and export markets, and organizing promotion activities.

Currently, VCCI has a system of branches and representative offices in many provinces and cities in Vietnam

and a nationwide network of business members and business associations ready to connect and cooperate with Uruguayan businesses.

VCCI is committed to working closely with the Embassy, the Uruguayan Chamber of Commerce and Industry, and other related organizations to act as a focal point to promote the relationship between the two business communities. ■



Delegates at conference “WeEmpowerAsia Journey”

## Efforts to Promote Women’s Economic Empowerment in Vietnam

The conference “WeEmpowerAsia Journey” was recently organized physically and virtually by the Vietnam Women Entrepreneurs Council (VWEC) under the Vietnam Chamber of Commerce and Industry (VCCI) and the United Nations Entity for Gender Equality and Empowerment of Women (UN Women) in the framework of the program WeEmpowerAsia funded by the European Union (EU).

The conference was designed to share successful results and lessons after three years of implementation (2019-2022) in Vietnam, providing authorities and enterprises with information and experience, to replicate initiatives on women’s economic empowerment, to promote equal employment, income and a decent working environment for sustainable businesses and society.

Addressing the event, Ms. Nguyen Thi Tuyet Minh, Chairwoman of Vietnam Women Entrepreneurs Council, said: “The conference reflects not only the imprints of the journey, but also a great opportunity for stakeholders to discuss the sustainability of the project achievement as an element for the next journey to accompany and

support enterprises and women entrepreneurs of VWEC and UN Women.”

“While the achievements of the WeEmpowerAsia program are promising, it is important to keep in mind that moving from commitment to action requires political commitment and intentional efforts from all stakeholders to enable women to fully engage, participate and benefit from the gender-inclusive businesses and working environments on equal grounds,” highlighted Ms. Elisa Fernandez Saenz, Representative of UN Women Vietnam.

## COVID-19 Adaptation Program Launched to Support Social Impacted Businesses

The Agency of Enterprise Development (AED) of the Ministry of Planning and Investment (MPI), in collaboration with Global Affairs Canada (GAC), and the UN Development Program (UNDP), jointly launched the “COVID-19 Adaptation Program” for Social Impacted Businesses (SIBs) to increase their capacity and refine business models to address the challenges they are facing.

This package will support social impacted enterprises, startups, cooperatives, and small and medium enterprises that work with or work for vulnerable groups, in the agriculture and tourism industries.

It is expected that this package will aid businesses to create social impact in terms of identifying critical challenges due to COVID-19; designing new business models or developing new products/ services to adapt to COVID-19; and building and testing prototypes of products/services with the seed funds.

General Director of the Agency of Enterprise Development Le Manh Hung shared: “This support package will contribute to helping SIBs remove bottlenecks and difficulties through concrete actions.”

“Our baseline assessment showed that nearly 47% of interviewed Social Impacted Businesses had their revenue reduced due to COVID-19,” said UNDP Resident Representative in Vietnam Caitlin Wiesen.

“We hope that the COVID-19 Adaptation Program will timely provide the necessary technical and financial support for the SIBs to realize their innovative ideas to solve their own challenges, thus benefiting vulnerable groups,” added Ms. Caitlin Wiesen.

In 2022, the Program will support 30 SIBs in the agriculture and tourism industries, focusing on the SIBs led by women and vulnerable groups. Each selected SIB will receive a 6-month coaching service and funding of VND100 million to identify, build and test the prototypes or new business models.

Anh Mai

# Customs Procedures Anytime, Anywhere on Any Device

Carrying out customs procedures anytime, anywhere, on any device is one of the important goals stated in the Plan for Customs Digital Transformation to 2025, with a vision to 2030.

## LE HIEN

**M**r. Nguyen Van Can, Director General of the General Department of Vietnam Customs, recently signed Decision 707/QD-TCHQ approving the Plan for Customs Digital Transformation to 2025 and further to 2030.

**By 2030, all customs procedures will be electronically handled**

The plan is designed to accelerate comprehensive digital transformation in customs operations in line with digital transformation for importers, exporters, and authorities in launching the National Single Window and the ASEAN Single Window to fulfill the goal that 100% of customs procedures will be done in the online (paperless) environment.

By 2025, the customs sector will complete digital customs where comprehensive digital transformation is applied to State customs management with a highly integrated, open information technology system of international standards to totally meet the needs of automatic handling of all stages of customs operations from the beginning to the end, carry out customs procedures anytime, anywhere on any device and meet the need of using the information on the basis of applying the latest technological achievements of the Fourth Industrial Revolution.

It will accomplish customs goals stated in the Prime Minister's Decision 749/QD-TTg dated June 3, 2020 on National Digital Transformation Program to 2025, with orientation to 2030.

Regarding key objectives, specifically, for customs



**It is expected that all customs procedures will be electronically handled by 2030,**

operations, the plan will foster complete digital transformation in customs operations consistent with digital transformation adopted by enterprises and customs authorities in carrying out the National Single Window and the ASEAN Single Window to centralize, modernize and automate management and administration of customs operations, consultation and enforcement of customs inspection, supervision, and control.

Furthermore, simple customs procedures are maximally digitized; professional fields are integrated, interconnected, and highly automated. It will accelerate pre- and post-customs clearance inspection to reduce inspection in relation to customs procedures; and apply the science and technology of the Fourth Industrial Revolution with modern equipment to minimize human intervention in customs clearance processes.

### **Standardization toward smart customs**

Specifically, on digital transformation in customs procedures, the plan will complete the overall redesign of the information technology system to implement digital customs and ensure system information security. Accordingly, along with the synchronous implementation of digital transformation in the National Single Window and the ASEAN Single Window, customs procedures are performed between customs authorities and importers and exporters entirely in the digital environment (paperless) anytime, anywhere on any device; customs operations automatically managed in the digital environment in all stages of pre- and post-customs clearance; and seamless management ensured from the beginning to the end for goods exported, imported, and transited and means of transport on exit, entry and in transit.

All customs procedures will be digitized and carried out electronically; 95% of customs documents are converted to digital data (5% are categorized as special records such as confidential records or records used during customs failure) and 100% of basic customs control records are converted to electronic data and digitized.

Regarding tax administration, tax debt is managed electronically with modern methods.

For post-customs clearance inspection, it will automatically identify objects to be inspected for post-customs clearance by deploying automatic models of risk analysis, assessment, data analysis, professional affairs, and unusual signs on the information technology system.

To prevent and combat smuggling, trade fraud, and illegal cross-border transportation of goods, the sector will automatically collect and analyze information on import and export, human entry and exit and means of transport through intelligence and international cooperation to make records to identify high-risk shipments according to control criteria; automatically analyze and warn unusual export and import transactions of enterprises; automatically warn against specific addresses of suspected shipments and provide detailed instructions on customs control measures; and apply artificial intelligence in compliance measurement to establish and deploy effective and flexible control options. The leader of the General Department of Vietnam Customs said that, with the above specific roadmaps, digital customs goals will be successfully completed to make importing and exporting activities of the business community more convenient. ■

## **HCM City: 166 Export Processors Meet Customs Requirements**

The Ho Chi Minh City Customs Department decided that 166 enterprises met conditions for customs inspection and supervision as per Clause 10, Article 1 of Decree 18/2021/ND-CP and 14 businesses suspended operations.

The department is managing over 180 export processors in Linh Trung Export Processing Zone and Tan Thuan Export Processing Zone. Up to now, export processing companies have resumed operations and are gradually fulfilling requirements specified in Article 28a of Decree 134/2016/ND-CP.

By probing enterprises, the department determined that 166 enterprises were qualified for conditions for customs inspection and supervision as per Clause 10, Article 1 of Decree 18/2021/ND-CP and 14 businesses suspended operations.

According to Ho Chi Minh City Customs Department, Clause 10, Article 1 of Decree No. 18/2021/ND-CP supplements Article 28a of Decree 134/2016/ND-CP on conditions for customs inspection and supervision and application of tax policies to export processing companies in nontariff zones. For export processing enterprises licensed before the effective date of Decree 18/2001/ND-CP (April 25, 2021) and in operation, they must complete mandatory conditions for customs inspection and supervision within a maximum period of one year from the effective date of Decree 18/2017/ND-CP.

However, if the one-year time limit is over, export processors fail to notify, or fail to satisfy mandatory conditions for customs inspection and supervision, and they cannot be entitled to tax policies applied to nontariff zones.

Previously, the Ho Chi Minh City Customs Department issued a document to notify export processors. To facilitate businesses to enjoy tax policies applicable to nontariff zones, the department also officially requested management boards of export processing zones, industrial zones and hi-tech parks to coordinate, support, inform and urge export processing firms to soon satisfy mandatory conditions for customs inspection and supervision to be entitled to tax policies applied for nontariff zones.

**Le Hien**

## Total Force against Gasoline, Medical Supplies Smuggling

The General Department of Vietnam Customs recently requested its subordinate professional and local agencies to strengthen the fight against the smuggling of petroleum products, biological products, medical supplies and equipment against the Covid-19 pandemic.

Implementing directions of the Steering Committee 389 of the Ministry of Finance in Official Document No. 36/BTC-BCD389 dated May 5, 2022 on strengthening the fight against petroleum smuggling and Official Document No. 32/BTC-BCD389 dated April 22 2022 on intensifying the fight against smuggling, commercial fraudulence and counterfeiting of biological products, medical supplies and equipment to prevent and control the Covid-19 pandemic, the General Department of Vietnam Customs recently issued Official Dispatch 1604/TCHQ-DTCBL, requiring Anti-smuggling and Investigation Department, Customs Post-Clearance Inspection Department and Inspectorate to perform their tasks.

These customs agencies will thoroughly follow the directives of the Permanent Deputy Prime Minister, Head of the National Steering Committee 389 and the Steering Committee 389 of the Ministry of Finance in the above documents.

Local customs departments and the Anti-smuggling and Investigation Department will direct their subordinated professional units to strengthen inspection, examination, investigation, detection and prevention of law violations in business, export, import, temporary import for re-export and transit of petroleum products and biological products, medical supplies and equipment for Covid-19 pandemic containment.

Specifically, they will work out action plans to grasp actual situations, synchronously use professional measures, conduct a basic investigation and develop working plans against the smuggling of petroleum products, biological products, medical supplies and equipment for Covid-19 pandemic containment on all routes, especially at border gates on land, by sea and at sea.

They will step up information collection, update prices of gasoline and medical supplies in order to support timely and correct customs clearance of goods, fight commercial fraud, and prevent tax loss.

They will work closely together on the smuggling of petroleum products, biological products, medical supplies and equipment for COVID-19 pandemic containment with anti-smuggling forces such as Border Guard, Police, Coast Guard, Market Watchdog and local authorities.

They will coordinate with press agencies and media to inform and encourage people to actively participate in denouncing crimes when seeing signs of smuggling gasoline, biological products, medical supplies and equipment for Covid-19 prevention and control.

The Customs Post-Clearance Inspection Department and the Inspectorate will intensify inspection and examination of importers of petroleum products and importers of biological products, medical supplies and medical equipment for Covid-19 containment exposed to high risks and signs of law violations.

**Le Hien**

## Exports Boosted by FTA Tariff Preferences

Vietnam's total export value entitled to tariff preferences under free trade agreements (FTAs) reached US\$69.08 billion in 2021, accounting for 32.66% of total exports shipped to markets with FTAs to which Vietnam was a signatory.

**I**n 2021, as many as 1.2 million preferential C/Os were issued, an increase of 24% in value and 23% in the number as compared to 2020.

### Footwear tops preferential C/Os

According to data from the Ministry of Industry and Trade, among industrial goods, footwear had the highest rate of using preferential certificates of origin (C/Os) under FTAs, accounting for 95.92% of its export value to Vietnam-signed FTA markets at US\$9.25 billion, a slight decrease of 2.78% from 2020.

Origin criteria in FTAs are assessed to be fitting for Vietnamese footwear, said the ministry.

Therefore, footwear is always an export with a high C/O-certified value and a high usage rate of preferential C/Os when it is shipped to FTA markets. This rate is 100% in some markets or all the export shipments are granted preferential C/Os.

Plastic and rubber are the second and third highest rates of using preferential C/Os at 69.02% and 67.37%, respectively, accounting for US\$2.87 billion and US\$2.38 billion, up 33.25% and 30.42% year on year.

The next was garment and textile products, with the preferential C/O-granted export value reaching US\$9.14 billion, accounting for 59.90% of its total export value (more than US\$15.26 billion) to FTA markets, up 13.35% year on year.

Many agricultural and aquatic products also had high rates of using preferential C/O when shipped to FTA markets such as seafood (66.34%), vegetables and fruits (65.16%), tea (47.35%) and pepper (42.03%).

### Businesses use MFN more than C/O

According to data released by the Ministry of Industry and Trade, tariff-preferred exports to China ranked first with US\$18.9 billion.



**Vietnam accounts for 10% of global footwear exports**

The runner-up was the exports to ASEAN and South Korea, valued at US\$11.6 billion and US\$11.2 billion, respectively. The value of exports granted tariff preferences to Laos, Cambodia and Cuba was insignificant.

The rate of utilizing tariff preferences from Laos and Cambodia is insignificant because both are ASEAN members. So, businesses usually take advantage of incentives directly from the ATIGA Agreement.

On the rate of taking advantage of FTA preferences, India delivered the highest rate of taking advantage of AIFTA incentives (ASEAN - India Free Trade Agreement) with 68.7%, followed by Chile and South Korea with the utilization rate of 61.8% and 51%, respectively.

In general, the rate of utilizing Vietnam's FTA preferences in 2021 was 32.66%. According to the ministry, this rate of using preferential C/O did not mean that more than 67% of Vietnam's remaining export value was subject to high taxes.

In fact, the most favored nation (MFN) import duty in some markets is already 0% or as low as 1-2%, or equivalent to the special preferential tariff under the FTA. In these cases, companies do not apply for preferential C/O when they export their products because the imposition or absence of preferential C/Os does not make a difference in tariffs.

For example, the export value to Singapore assigned C/O Form D reached US\$322.7 million in 2021, accounting for only about 8.13% of the total exports worth US\$3.97 billion to this market. The main reason is the MFN tax in this country is already 0%, so it is not necessary for businesses to apply for a preferential C/O for their exports.

Similarly, Australia and New Zealand levy a 0% MFN tax on many seafood products. So, Vietnamese seafood products do not need C/O for exports to these two markets.

The value of export granted C/O Form CPTPP was US\$2.5 billion in 2021, equal to 6.34% of total exports to member countries that ratified the CPTPP Agreement.

The rate of using C/O Form CPTPP for exports to these markets is not high because most partner countries already have FTAs with Vietnam with looser rules of origin and preferential duty as compared to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in the early years of enforcement.

In 2021, the export value entitled to C/O Form EUR.1 to the EU and the UK was not high (at 20.18% and 17.19%, respectively). Some commodities had very good rates of using preferential C/O Form EUR.1 such as rice (100%), footwear (98.02%), seafood (76.9%) and plastic (70.63%).

The Ministry of Industry and Trade forecasted that in the coming time, the rate of using preferential C/Os for exports may increase even more because the EU and UK markets currently are applying both GSP and EVFTA/UKVFTA incentives at the same time. Therefore, exporters are using both these mechanisms in exports to the EU/UK and choose C/O Form EUR.1 or C/O Form A or origin self-certification according to REX mechanism to enjoy preferential tariffs according to the respective mechanism for exports to the EU/UK.

According to experts, FTAs, especially new-generation ones such as EVFTA and CPTPP, will continue to offer tariff preferences. ■

## Vietnam Likely to Extend US\$5.5 Bln Tax Payments

The Ministry of Finance has proposed extending the deadline for payment of taxes and land rental fees worth VND125.3 trillion (US\$5.5 billion) in 2022 for those affected by the COVID-19 pandemic.

**T**he ministry has submitted to the Government of Vietnam a draft decree on extending the deadline for payment of value-added tax (VAT), corporate income tax (CIT), personal income tax (PIT), and land and water surface rents in 2022.

As for beneficiaries, the Ministry of Finance has proposed extending the deadline for payment of land and water surface taxes and rents for all entities specified in Article 2 of the Government's Decree 52/2021/ND-CP dated April 19, 2021.

Specifically, the ministry has proposed a 6-month extension for VAT from March to May 2022 and the first quarter of 2022, a 5-month extension for VAT of June 2022 and the second quarter of 2022, a 4-month extension for VAT of July 2022, a 3-month extension for VAT of August 2022 for all entities in the given periods of time. The extension period is counted from the end of the VAT payment time limit under the law.

The extended deadline will be subject to VND53.3 - 54.3 trillion of VAT. However, the state budget revenue in 2022 will not decrease because taxpayers must pay delayed taxes before December 31, 2022.

As for CIT, the ministry suggested extending the deadline for CIT to the first quarter and second quarter of 2022. The validity period is three months from the date of closing CIT period. The applied tax value was estimated at VND51 - 52 trillion.

For business households and individuals, the deadline for payment of VAT and PIT will be prolonged for the tax payable in 2022. They will pay their taxes prior to December 30, 2022. The extension is applied to VND15,304 billion of these duties.

For land and water surface rents, the Ministry of Finance recommended extending the deadline for 50% payment of land rents and water surface rents payable in 2022 is six months from May 31 to November 30, 2022. The amount of land rent and water surface rents to be extended is estimated at VND3.5 - 3.7 trillion. Thus, the total amount of tax, land rent and water surface rent extended at the request of the Ministry of Finance will be VND125.3 trillion (US\$5.5 billion).

Emphasizing that this is an urgent solution that needs to be issued immediately to promptly support businesses and those affected, the Ministry of Finance suggested the effective date right on the date of signing. ■

## COVID-19 Significantly Affects Public Administration Performance

Thua Thien - Hue province rose to the top of the PAPI 2021 ranking nationwide, scoring 48,059 points. Binh Duong province ranked second with 47,178 points and Thanh Hoa ranked third with 47,102 points.

### QUYNH ANH

**A**ccording to the Report on the Vietnam Provincial Governance and Public Administration Performance Index (PAPI) 2021 released by the United Nations Development Program in Vietnam (UNDP), among five centrally governed cities, Hanoi scored 44,447 points; Hai Phong, 44,005 points; Da Nang, 42,557 points; Can Tho points, 41,230; and Ho Chi Minh City, the lowest with 40,677 points. This result partly reflected the heavy impacts of the prolonged social distancing in response to the fourth wave of the Covid-19 pandemic outbreak in Ho Chi Minh City.

PAPI 2021 ranked the governance and public administration performance of 63 provinces and cities across the country. In 2021, PAPI was made from surveys of 15,833 respondents (the largest sample size since 2009). PAPI 2021 measured eight content indicators, including: Participation at local levels, publicity and transparency in decision making, vertical accountability to the people, control of corruption in the public sector, public administrative procedures and public service delivery, environmental governance, and electronic governance.

Compared to the results of 2020, as many as 30 provinces and cities went up in public service



delivery, environmental governance and e-governance. However, 30 localities had a decrease in participation at local levels, publicity and transparency in local decision-making, vertical accountability to the people, and control of corruption in the public sector.

Leading localities are concentrated in the northern region. In contrast, most of the poorest performers are in the Central Highlands, the South Central Coast and Mekong Delta.

PAPI 2021 reported that the COVID-19 pandemic significantly affected the performance of the government apparatus in many aspects in 2021 and influenced many PAPI indicators.

For example, residents appreciated improvements in some aspects of basic infrastructure and local security and order as demonstrated by a higher level of satisfaction with road quality, access to water, garbage collection as well as fewer crimes such as theft, break-in and robbery than before. Social distancing and mobility restrictions to fight the pandemic helped improve security and order conditions. In addition, increasing public investment in basic infrastructure upgrading was an approach adopted by many local governments during the pandemic period.

Regarding land, COVID-19 was attributed to reducing the need of acquiring residential and agricultural land for more economic development and investment projects. The second year of the COVID-19 pandemic with the wave of Delta strain in Vietnam generated more critical attitudes towards the health sector, with declining levels of satisfaction with services provided by public district hospitals.

In addition, the Vertical Accountability Index decreased sharply between 2019 and 2020. This decline was attributed to the failure of local authorities to process a large number of petitions filed by people concerning support and response policies on COVID-19 in 2021.

However, COVID-19 is not a factor affecting all aspects of governance and public administration in 2021. Indicators less directly related to the pandemic also tended to change worryingly. For example, regarding the control of corruption in the public sector, 2021 was the first year since 2015 to see a slight decrease in the score of effective control of corruption given to people to local authorities. Similarly, although land acquisition decreased, publicity and transparency of district land-use plans and provincial land



**Thua Thien-Hue makes good progress in public service delivery**

price lists also weakened. Requirements and standards for land information disclosure in these two areas should be consolidated in the revised Land Law 2014 to enhance the effectiveness of legal regulations on access to land information which plays an important role in people's lives and livelihoods. The decline of "Publicity and transparency in decision-making" and "Control of corruption in the public sector" might be correlated with a decrease in public confidence in the response to the COVID-19 pandemic in 2021. Therefore, improving publicity and transparency and resisting corruption are important to help strengthen public trust in government.

Ms. Cherie Russell, Development Counselor, Australian Embassy in Vietnam, said, the PAPI survey plays an important role in Vietnam, helping governments at all levels to improve decision-making, policy-making and public service delivery based on reliable data on public experiences. In the context that Vietnam aspires to become a high-middle-income country and aims for a high-income economy, it is extremely important for governments at all levels to understand people's wishes, and promptly transform and improve their policies based on citizen feedback.

Mr. Nguyen Huu Dung, Vice Chairman of the Central Committee of the Vietnam Fatherland Front, said, the PAPI Index has helped promote accountability to people at all levels of government, facilitating renovation and creativity in the public sector for the goal of "benefiting the people" in addition to the goals of "people know, people discuss, people do, people check" in implementing grassroots democracy. This is also the spirit of the draft law on grassroots democracy to be discussed at the National Assembly this year. ■

# Positive Outlook for Vietnam Economy

Regarding the exchange rate, the position of the Vietnamese dong is quite different from the Fed rate hike in 2018, said SSI Securities Corporation, citing that foreign exchange reserves reached US\$110 billion, equivalent to about four months of imports, by the end of 2021.

In its recent strategy report, SSI Research said that monetary policy is still accommodative in the first four months of the year despite growing operating pressures on the State Bank of Vietnam (SBV). Lending interest rates are currently being kept stable while improved credit leads to an increase in interest rates in the primary and secondary markets. Specifically, deposit interest rates for individual customers rose by 30-70 basis points from the start of the year at some joint stock commercial banks while interest rates at State-owned commercial banks remained unchanged.

Currently, interest rates range from 3.3 - 4.5% on deposits of less than six months, 4.2 - 5.7% on deposits carrying 6-12-month maturity terms and 5.3% - 6.5% on deposits of over 12 months. The overnight interbank rate has also stayed above 2% while the SBV has continuously injected money to support liquidity through OMO operations.

In the April cabinet meeting, the SBV announced that

credit grew 6.75% from the end of 2021 in the year to April 25 and rose 16.4% from the same period of 2021. Given a strong economic recovery, credit growth is expected to reach 14-15% in 2022 as planned by commercial banks. In the short term, SSI believed that the risks of monetary policy changes from the SBV are minor as the Government is still focusing on post-COVID-19 economic recovery. Inflationary pressure is present but the Government can control inflation within the target of 4% by controlling government-administered commodity prices such as medicines while electricity energy prices will be regulated by further reduction of import tax on gasoline.

As for the exchange rate, the position of the Vietnamese dong is quite different from the Fed rate hike in 2018, said SSI Securities Corporation, citing that foreign exchange reserves reached US\$110 billion, equivalent to about four months of imports, by the end of 2021. Stable USD supply helps support VND, coming from disbursed FDI, trade balance or remittances.

April economic data still showed a positive outlook for Vietnam's economy in 2022 despite risks from the ongoing Russia-Ukraine conflict, COVID-19 lockdowns in China or the U.S. Fed's continued rate hikes. Growth supporting factors in 2022 are driven by domestic consumption demand, exporting activity, FDI disbursement and continued credit growth recovery, supporting GDP growth forecast of 6.8% in 2022. Besides, public investment disbursement - a growth engine - also improved in April and is expected to be maintained in the coming time. ■



Lending rates set to be stable despite deposit rate surge

# Which Bank Pays Highest Dividends in 2022?



**VPBank is expected to pay the highest stock dividend in 2022**

If nothing changes, VPBank will pay the highest stock dividend in the industry of 50% to its shareholders in 2022, followed by VIB (35%), MSB (30%), OCB (30%), Nam A Bank (29%), HDBank (25%) and ACB (25%).

**I**n 2022, the State Bank of Vietnam (SBV) continues to require banks not to pay cash dividends to reduce lending interest rates. This is the third year in a row that the regulator has requested banks not to pay cash dividends.

In 2021, the SBV also issued a similar directive forcing banks to switch to dividends in shares. The only exception for cash dividend payment is State-owned banks (Vietcombank, BIDV and VietinBank) due to a request from the State Treasury.

Based on that direction, many banks announced stock dividend plans at their 2022 Annual General Meetings of Shareholders.

At the meeting, Vietcombank's shareholders approved the plan to issue 856 million ordinary shares, equivalent to a rate of 18.1%, to pay dividends from the retained profit in 2019 and 2020. The time of exercise is scheduled for 2022.

Shareholders of VietinBank also ratified a stock dividend scheme from its net profit, reserve funds and cash dividend distribution in 2020. Specifically, the lender will issue more than 569 million shares for a dividend rate of 11.85%.

BIDV planned to issue more than 607 million shares, equivalent to 12% of its outstanding shares, to pay dividends for the fiscal year of 2021 from undistributed net earnings.

After paying dividends and bonus shares at the rate of 80% in 2021, VPBank planned to issue a maximum of nearly 2.238 billion shares, or 50% of the total outstanding shares, for stock dividends and bonus shares to shareholders. (A shareholder will be entitled to receive an additional 500 new shares for every 1,000 ordinary shares he owns). The time of exercise is expected to take place in the second and or third quarter of 2022.

MB also plans to increase its registered capital by VND7,556 billion by issuing 755.6 million shares for dividend payment, equivalent to 20%.

Similarly, ACB shareholders adopted a plan to issue more than 675 million shares for a stock dividend of 25%. The distribution is scheduled for the third quarter of this year.

The Board of Directors of VIB recently ratified a plan to issue more than 554.5 million shares for 35% of bonus shares to existing shareholders. After the distribution, the bank's registered capital will be raised to over VND21 trillion.

This is the third consecutive year VIB has paid stock dividends: 20% in 2020 and 40% in 2021. Then, the lender's registered capital will increase rapidly to the Top 15 in the banking industry. If this plan is successful this year, VIB will surpass many lenders such as SCB and Sacombank by registered capital.

Some other banks also planned for stock dividend payment this year, including MSB (30%), OCB (30%), Nam A Bank (29%), HDBank (25%), Kienlongbank (16%), SHB (15%), LienVietPostBank (15%), SeABank (12.7%), VietABank (11%) and ABBank (10%).

## Saying no to dividends

Besides those trying to pay high dividends, some banks have repeatedly said no to this choice.

In 2022, Techcombank will continue to retain all profits after

*(continued on P.21)*



The Ho Chi Minh City market was active in the first month of the second quarter

## WHICH IS THE BEST FOR INVESTORS

# NORTH, CENTRAL OR SOUTH REAL ESTATE?

Dat Xanh Services recently released a report on Vietnam's real estate market in April 2022. Real estate prices are expected to further increase and more money will be channeled into the central market because of lower prices than in the North and the South.

### Northern market

In Hanoi, apartments are still key products while there is no new supply of townhouses. In April, approximately 700 new products were opened for sale, coming from one new project and five previously opened projects. Newly opened projects mainly lie in the east.

Newly launched upmarket projects, located in Tay Ho District, are offered for sale at VND90 million per square

meter. The adoption rate is approximately 90%, while the price hike of existing projects is minor (about 2%).

In its neighboring provinces such as Bac Ninh, Thanh Hoa, Quang Ninh and Bac Giang, the total new supply to the market is only about 1,000 products, mainly townhouses (accounting for approximately 90%). Bac Ninh accounts for the largest share of new supply (approximately 55%).

The market is expected to see a big supply of products from large-scale projects in Hanoi, Hung Yen and other localities. Prices are expected to keep rising due to many factors like increasing construction costs and macro volatility, according to an expert at Dat Xanh Services.

### Central market

The new supply in the central market still focuses mainly on townhouses and residential land. Recently, the region started to see apartment and shophouse projects from big investors. Products sold in April mainly come from projects opened for sale in the first quarter.

Some projects are expected to be offered for sale in the first phase in May in Da Nang, Phan Thiet and Quy Nhon.

Real estate prices in the central region are considered lower than those in the north and the south, so they will still attract investment cash flows in the near future. The average adoption rate is 70 - 80% in offered projects. Some residential land projects continue to sell their land for an average price of VND35-40 million per square meter.

In the coming time, the market will see new supplies from such investors as Phat Dat, Filmore, Hung Think and Novaland. Real estate prices are expected to grow by 5-10% on rising demand.

## HCM City and its vicinity

The Ho Chi Minh City market was active in the first month of the second quarter, mainly in the eastern area. Owing to limited supplies in the past three years, new apartment projects are highly adopted. New low-rise projects, after a period of scarcity, are catching high interest from customers because of good utilities and green living space.

Selling prices of new projects in the month ranged from VND34 - 60 million per square meter. Low-rise buildings climbed 15% in price over the previous period.

According to experts, supplies in the eastern area are leading the market. The supply of high-end apartments will be opened for sale in the coming months, with the selling price 3-4 times higher than new projects in April. Current opening projects are offering a 10% rise in selling prices from the previous period. Projects combining utilities with fresh living space become a development trend.

In the suburban market, Binh Duong led the market supply but new projects declined in number. Low-rise

buildings continue to be deployed around industrial zones. Large-scale projects with a variety of utilities are promoted for construction.

Selling prices of new apartments in Binh Duong ranged from VND26-48 million per square meter. The market saw an increase of 5-7% in the next phase of launching projects.

Giving an overall assessment of HCM City's outskirts, experts at Dat Xanh Services said that the average price has risen by 5-7%. Upcoming supplies in Binh Duong province will notably come from projects around industrial parks and along arterial roads in three cities. Residential areas are mainly concentrated in Long An and Binh Phuoc provinces. Ready-built houses are expected to be launched onto the market in the next phase. Many infrastructure projects have been started and implemented to create a driving force for market development.

## Western market

New supplies in April in the Western region were limited when most provinces were selling old projects. Notably, high-rise buildings saw good development in Ben Tre and Hau Giang provinces, with 347 apartments traded.

Selling prices ranged from VND15 - 45 million per square meter for apartments and VND45 - 60 million per square meter for townhouses and residential land.

This market saw an expected price increase of 2-5% in the new phase of sales. Southwestern provinces mainly sell land-based houses and land plots, especially projects along trunk roads which are very attractive to investors. ■



Housing prices are expected to keep rising due to many factors like increasing construction costs and macro volatility

# Clearing Barriers to Hospitality Property

As much as US\$30 billion is trapped in 239 real estate projects in 15 provinces of Vietnam, with about 100,000 condotels queuing for ownership certificate for the past eight years. These are painful figures of the vacation home market.

## US\$30 billion trapped

According to data released by the Vietnam Real Estate Association (VNREA), a total of 239 hospitality property projects with more than 114,097 condotels worth estimated VND297,128 billion, 24,399 villas worth estimated VND243,990 billion, and 30,899 shophouses valued at estimated VND154,245 billion in 15 provinces and cities as of September 2021, including Hoa Binh, Quang Ninh, Hai Phong, Thanh Hoa, Quang Binh, Hue, Da Nang, Quang Nam, Binh Dinh, Phu Yen, Khanh Hoa, Ninh Thuan, Binh Thuan, Ba Ria Vung Tau and Phu Quoc. The combined value of these three products was VND681,886 billion (US\$30 billion).

Notably, most hospitality property products so far have not been granted ownership certificates (pink books) for secondary investors, so they cannot be traded or sold. At a recent workshop on this field, Dr. Can Van Luc said that recreational property investment and business are subject to laws on real estate, tourism and other relevant regulations (at least five laws, including Law on Land, Law on Construction, Law on Real Estate Business, Law on Housing and Law on Tourism).

Despite being governed by many laws, five shortcomings are challenging recreational property: Not identified; not included in the tourism development planning; uncertified ownership; unable to keep pace with international demand and competitiveness; and inconsistent with unique characteristics of this property, resulting in difficulties and complications in application for authorities and investors and risks for credit organizations in financing funding and bad debt handling.

## 100,000 condotel units queuing for ownership certificate

According to data from the Ho Chi Minh City Real Estate Association (HoREA), in the past eight years, localities have not yet issued ownership certificates for non-residential constructions.

About 100,000 condotels have not been certified in accordance with the law on land.

Some localities have arbitrarily granted ownership certificates for condotels and created the concept of "residential land that does form residential units". This has been examined and inspected by competent central authorities and concluded that it is contrary to the 2013 Land Law.

Therefore, most owners of hotels, condotels, officetels, vacation villas, second homes, motels and other constructions (for accommodation and tourism purposes) have not been granted ownership certificates for non-residential constructions used for

accommodation and tourism for the past eight years.

## What is the solution to recreational property?

Mr. Le Hoang Chau, Chairman of HoREA, said that the delay in ownership certificates for non-residential constructions for accommodation and tourism purposes, including condotels which are not completely governed by the Land Law but largely by unspecified provisions in the Law on Construction and the Law on Real Estate Business.

Therefore, he proposed amending Clause 6, Article 1 of the "Draft Decree" that supplements "Article 32a" of Decree 43/2014/ND-CP.

Dr. Nguyen Thi Nga, Head of the Faculty of Law and Real Estate Business Laws, Department of Economic Laws, Hanoi Law University, pointed out that the explosion and rapid development of a series of recreational estate in the past time has also left mixed consequences on recreational property market and legal regulations on this market have revealed many gaps too.

Many outstanding issues, which have adversely spoilt the investment environment but kept unsolved for a long time, are undermining customer confidence and safety for market players.

Nga recommended that, to completely solve these backlogs, in the coming time, the government needs to have timely instructions to tackle outstanding matters like issuing ownership certificates for hospitality property, especially vacation villas, condotels and residential land projects that do not form residential units; reforming administrative procedures concerning access to land to carry out investment and run projects, which has been a bottleneck for businesses for years.

Lawyer Le Thi Tuyet Dung, Director of DL and Partners Law Firm, said, the Government should promulgate a decree on



About 100,000 condotels have been waiting for ownership certificates for the past eight years

# Market

recreational property specifying the concepts of hospitality property and vocational property business and definitions for each type of vacation property. In particular, these definitions must be used uniformly in other legal documents to get rid of arbitrary designations.

A timely urgent solution to release the US\$30 billion stuck in the hospitality property market recommended by many experts is: As for completed, accepted and operated but uncertified hospitality property projects built on the “residential land that does not form residential units”, it is necessary to issue ownership certificates of land and assets built on land. In addition, these projects will not include public service systems such as schools, hospitals and trade platforms (like markets).

She believed that the above solution is reasonable when the concept of “residential land that does not form residential units” is used on ownership certificates of condotels and because it will not cause sudden mayhems while mitigate risks to developers and secondary investors. Therefore, this solution needs to be legislated specifically.

She also recommended that, as for completed, accepted and operated hospitality property projects will be granted certificate of rural land ownership (residential land that does not form residential units”. As for buyers of condotels/villas, a certificate of long-term ownership will be granted. However, owners of condotels will not be granted a household registration or temporary residence declaration, will not set up a management board or an apartment representative board, will not be counted as the only house to be exempted from personal income tax when sold, will not be leased for long-term stay, will not reside for more than one full year. Project owners are not obliged to build public utilities such as schools, hospitals and supermarkets. ■

## Disbursed FDI Rises 7.6% in Four Months

Vietnam attracted over US\$10.8 billion of foreign direct investment (FDI) in the first four months of the year, equal to 88.3% of the same period last year, according to the Ministry of Planning and Investment (MPI). Of the sum, the fund for new projects shrank by 56.3% but the added value to existing projects and equity purchases surged 92.5% and 74.5%, respectively.

Foreign investors invested in 18 out of a total of 21 industries, led by the processing and manufacturing sector with nearly US\$6.2 billion, accounting for 57.2% of the total registered investment capital. Real estate ranked second with a total investment of more than US\$2.8 billion, followed by the wholesaling and retailing sector, and scientific and technological activity.

As many as 72 countries and territories invested in Vietnam between January and April of 2022. Singapore took the lead with a total investment capital of over US\$3.1 billion, accounting for 28.8% of the total FDI fund in Vietnam. South Korea ranked second with over US\$1.82 billion, accounting for 16.9%. With a US\$1.3 billion Lego project, Denmark continued to be the third-largest investor with nearly US\$1.32 billion, accounting for 12.2%.

In addition, foreign investors invested in 44 provinces and cities across the country in the four-month period. Binh Duong province was the biggest recipient of FDI funds with nearly US\$2.35 billion, accounting for 21.7% of the total and equal to 4.9 times the amount it got in the same period in 2021. Bac Ninh ranked second with nearly US\$1.57 billion, followed by Ho Chi Minh City with nearly US\$1.28 billion.

Thu Ha

## MIC Offers Training on Digital Transformation

Recently, the Ministry of Information and Communications (MIC) opened a training course on digital transformation in 2022 for local core personnel. Trainees came from Provincial/Municipal Departments of Information and Communications.

This program is designed to carry out the Project of “Raising awareness, universalizing skills and developing national digital transformation personnel to 2025, with a vision to 2030” (Project 146) approved by the Prime Minister in January.

The training program on digital transformation is provided on the Open Online Course Platform, <https://onetouch.mic.gov.vn>. The program will have five topics of teaching and final examination on knowledge about digital transformation, digital economy, digital society and skills for digital transformation in communes. The training program will be open through May 22, 2022.

As planned, the training course for about 22,000 chairpersons and vice chairpersons of communes, wards and townships is expected to be officially launched in June when the sample program is completed.

Ha Linh



## INSURANCE MARKET

# Good Growth Momentum



**Bao Viet Holdings posts very good revenue in insurance business in the first months of 2022**

Vietnam's insurance market has maintained good growth momentum in the first months of 2022. According to data from the Ministry of Finance, in April 2022, the total assets of insurance companies and total premium revenue in every month enjoyed double-digit growth.

## QUYNH CHI

### **Good revenue**

Specifically, by the end of April 2022, the total assets of insurance businesses were estimated at VND737,541 billion, up 21.16% over the same period last year. In which, the asset of non-life insurance businesses was estimated at VND106,519 billion, and life insurance businesses at VND631,022 billion.

The total insurance premium revenue in April 2022 was estimated at VND74,234 billion, up 13.91% over the same period last year. In which, non-life insurance premium revenue was estimated at VND22,477 billion, up 12.58% over the same period last year; life insurance sector at VND51,757 billion, up 14.50% compared to April 2021.

Some insurance companies obtained quite good revenue in the first months of 2022. According to the

announcement of Bao Viet Holdings, the total revenue of Bao Viet Insurance Corporation (operating in the field of non-life insurance) reached VND2,975 billion, an increase of 4.6% compared to the same period in 2021. Its after-tax profit reached VND80.7 billion, a sharp increase compared to the same period in 2021. Bao Viet Life Corporation recorded growth of 9.4% with total revenue of VND9,666 billion. Bao Viet Life continues to maintain its leading position in total life insurance premium revenue. Its after-tax profit reached VND265 billion, up 5.2% over the same period.

In the first quarter of 2022, Military Insurance Company (MIC) achieved original insurance revenue of more than VND1,200 billion, up 35% over the same period in 2021; its pre-tax profit reached approximately VND90 billion. According to the information

(from P.15)

from the recently held general meeting of shareholders, in 2022, MIC set a high growth plan in both revenue and profit targets, reaching at least 40% and 35%, respectively, compared to the previous year.

At PVI Insurance, the revenue in the first quarter of 2022 was estimated at VND3,000 billion, an increase of about 20% and most of its other financial indicators also exceeded this level.

According to VietinBank Insurance Company (VBI), the business results in the first three months of 2022 were also very positive with its revenue increasing by 24.5% over the same period last year and nearly three times the overall revenue growth of the non-life insurance market in the first quarter of 2022.

The first-quarter business results of BIDV Insurance (BIC) also showed an increase of about 30% in revenue compared to the same period in 2021 and completed 25% of the whole year revenue plan.

## Potential for growth

The COVID-19 pandemic has struck the insurance industry in recent years, but it has also offered many opportunities for this potential sector.

Many forecasts show that Vietnam's insurance market will continue to grow thanks to positive support from macro factors, especially the post-COVID-19 recovery of the economy. On March 21, 2022, the Prime Minister issued Decision 368/QĐ-TTg approving the Financial Strategy to 2030, in which the orientation of comprehensive development of the insurance market is to meet the insurance demand of organizations and individuals in the economy. The average revenue growth of the insurance industry in the period 2021-2025 is 15%/year, by 2025, the scale will reach about 3-3.3% of GDP. Average growth in the period 2026-2030 is 10%/year, by 2030 the scale will reach about 3.3-3.5% of GDP.

The Insurance Supervision and Administration Department will submit to the Ministry of Finance and to the Government for the promulgation of the Strategy for Insurance Market Development to 2030. This strategy will clearly and specifically define objectives, orientations, and solutions as well as the development roadmap of the insurance market. In addition, the Ministry of Finance is also finalizing the revised draft Law on Insurance Business to submit to the Government and the National Assembly for promulgation.

According to the assessment, once promulgated, the revised Law on Insurance Business will support Vietnam's insurance market to develop more strongly and sustainably. In which, there are positive effects on the insurance industry in general, as well as benefits for investors, reflected in the strengthening of independence of insurers; improvement of the quality of insurers' operations; and higher transparency and healthier development of the market.

The amendment of the Law on Insurance Business will allow insurers to be more independent in their business activities; in which the regulators will not interfere too deeply or technically in the operations of insurance companies as in the past. Instead, the role of the regulators will be to prioritize regulatory oversight, promote transparency and the healthy development of the insurance market. The quality of operations of insurers is also enhanced when the capital adequacy ratio is introduced along with stricter requirements on information disclosure of enterprises.

In addition, the draft amendment to the Law also requires more transparency of the insurance industry. Accordingly, insurance companies must publish audited semi-annual and full-year financial statements, as well as reports on corporate solvency and risk management on the website of the company and the website of the Ministry of Finance. ■

setting aside the fund to increase working capital. If approved, this will be the 11th straight year this bank has not paid a cash dividend and the fourth year in a row that it has not paid a dividend.

Answering questions from shareholders, Mr. Ho Hung Anh, Chairman of the Board of Directors of Techcombank, said that it is not necessary to pay stock dividends now. Previously, in 2018, Techcombank also paid a dividend rate of 200%.

"The business value remains unchanged; the stock dividend will result in dilution and the market price will be adjusted. Many people think that the share price will go up after the dividend but that is not the case. Why don't you think the share price will continue to rise to VND100,000-200,000 apiece? Shareholders must even pay a 5% personal income tax for stock dividend received," he said at the 2022 Annual General Meeting of Shareholders.

Sacombank's shareholders have also not received dividends for the past six consecutive years. In 2022, the bank continued to propose retaining its accumulated profit of VND8,982 billion.

At the 2022 Shareholder Meeting, Sacombank's leaders said that the retained consolidated profit as of end-2021 was nearly VND9 trillion, equivalent to nearly 50% of its registered capital. This amount can be used to pay dividends to shareholders.

If Sacombank wants to pay dividends to its shareholders, it needs the approval of the State Bank of Vietnam. Since 2019, the lender has repeatedly submitted its scheme to distribute its profit in the form of dividends to shareholders but it still must wait for approval from the central bank.

Eximbank has also not paid any dividends in recent years as it needs to handle VAMC bonds and continuously failed to hold shareholder meetings.

Besides big lenders, PG Bank has not paid any dividends for a decade. In its documents submitted to shareholder meetings, this bank continued to have no dividend payment plan for shareholders. If there is no change, this will be the 10th year in a row that PG Bank has not paid a dividend.

Similarly, Saigonbank has also not mentioned the dividend payment in the report submitted to the General Meeting of Shareholders 2022. Thus, it is likely that Saigonbank will mark the 5th consecutive year of no dividend. The latest year of the dividend was 2016, at the rate of 4%.

Previously, the Board of Directors of Saigonbank had proposed a 5% dividend payment plan for the fiscal year 2020 but did not submit it to the 2021 AGM because it was not approved by competent authorities. ■

# IFC, HDBank Become Strategic Partners, Join Hands to Support SMEs



**Ms. Stephanie von Friedeburg – IFC’s Senior Executive Vice President (second from left) and Mr. Tran Hoai Nam – HDBank’s Deputy General Director (first from right) hand over the signing document under the witness of Vietnam’s Prime Minister Pham Minh Chinh (second from right)**

On May 11, IFC and Ho Chi Minh City Development Joint Stock Commercial Bank (HDBank) signed a Memorandum of Understanding (MoU) to become strategic partners, supporting small and medium enterprises (SMEs) to scale up finance and participate in the global supply chains, including financing the high-tech agricultural chain.

## LE PHUONG

**T**he event took place on the occasion of the visit to the United States of America of the Prime Minister of the Socialist Republic of Vietnam Pham Minh Chinh, who is leading the Vietnamese delegation to attend the US –

ASEAN Special Summit in Washington D.C (USA).

This cooperation is expected to help HDBank build its supply chain finance (SCF) portfolio of US\$1 billion in the next three years; Accordingly growing its SCF portfolio – currently active in construction materials, agribusinesses sector, FMCG as well as supporting industries and downstream petroleum distribution.

IFC will assist HDBank to design an SCF strategy for the agricultural sector, broaden its SCF products – especially supplier and distributor financing – and bring on board anchor firms along with their suppliers and distributors, among others.

“SCF that links buyers, suppliers, and financial institutions will efficiently support the trade cycles. IFC’s timely support will enable local businesses to leverage emerging trade opportunities and improve their linkages to formal supply chains, contributing to Vietnam’s economic growth,” said Mr. Pham

Quoc Thanh, HDBank’s CEO.

“SMEs are the backbone of the economy and are essential to Vietnam’s goal of becoming a manufacturing hub in the region,” said Stephanie von Friedeburg, Senior Vice President, Operations at IFC. “IFC’s support to domestic financial institutions as HDBank will contribute to increasing SMEs’ linkages with the global supply chains and open up the opportunities for development and job creation.”

Previously, on April 14, 2022, IFC granted HDBank a trade finance limit of US\$40 million within the framework of the Global Trade Finance Program (GTFP) to enhance payment risk guarantee capacity in trade finance for domestic enterprises, mainly SMEs.

In 2021, IFC provided a long-term loan of US\$70 million to HDBank to support the renewable energy business. IFC also subscribed US\$95 million to the international convertible bonds issued by HDBank to support increased lending to micro, small and medium enterprises. Currently, the total value of commitments and cooperation between IFC and HDBank has reached more than US\$200 million and is expected to continuously increase in the coming time. ■

# PURSUING GREEN AND SUSTAINABLE DEVELOPMENT

My Xuan B1-CONAC Industrial Park was established in 1998 under the Prime Minister's Decision 300/QD-TTg dated April 14, 1998. The park, invested and developed by IDICO Investment Construction Oil and Natural Gas Joint Stock Company (IDICO-CONAC), covers 211.92 ha, including 163.38 ha of land for industrial factory construction.



**M**y Xuan B1-CONAC Industrial Park, situated in My Xuan Ward, Phu My Town, Ba Ria - Vung Tau Province, lies in the southern key economic zone. It is 50 km from Tan Son Nhat International Airport, 20 km from blueprint Long Thanh International Port. Cargo transportation to and from the park is very convenient. Specifically, it is adjacent to National Highway 51 - the main traffic axis running along the international port system of Ba Ria - Vung Tau, 10 km from Cai Mep - Thi Vai International Port (one of 21 international ports capable of receiving the world's largest container vessel of 200,000 tons), 50 km from Ho Chi Minh City, and 40 km from coastal Vung Tau City and luxury resorts in Phuoc Hai. It is easily accessible to industrial zones in Long An, Binh Duong and Dong Nai provinces on Ben Luc - Long Thanh Highway, Bien Hoa - Vung Tau Highway and roads to Cai Mep - Thi Vai Port, Provincial Road 991B and Phuoc An Bridge. My Xuan B1-CONAC Industrial Park is advantageously linked to regional logistics lines, helping tenants save time and business costs.

With a complete and modern eco-friendly technical infrastructure system, including a wastewater treatment system that meets Column A, QCVN 40:2011/BTNMT standards; 32-meter wide external and internal traffic systems for continuous movement of vehicles and container trucks; power supply, water supply and communication systems; green space, lighting and security systems; My Xuan B1-CONAC Industrial Park has a lot of competitive advantages over its competitors. Besides, the park has easy access to an abundant and highly qualified labor force that meets all recruitment demands of investors.

My Xuan B1-CONAC Industrial Park selectively attracts

investment projects to create the best industrial space with the goal of forming a highly capable and supportive business community that spreads a good effect on the investment environment. Currently, the park has drawn over 20 investment projects from industrialized economies such as Australia, South Korea, Taiwan (China), Hong Kong (China), the Netherlands and Vietnam. The occupancy rate is 92%.

Further promoting the experience and capacity of the management board and meeting the market demand for industrial property, IDICO-CONAC continues to expand My Xuan B1-CONAC Industrial Park by 110ha, adjacent to the existing estate. To pursue green and sustainable development, the park has expanded synchronous technical infrastructure, from traffic, power grid, water supply and wastewater treatment, green space, lighting and security, to more professional investment advice for the housing and utilities for workers, My Xuan B1-CONAC Industrial Park helps ensure a stable production and business environment for tenants. With over 42 years of development experience, IDICO-CONAC is committed to bringing investors the best facilities and support when they locate their projects in the existing My Xuan B1-CONAC Industrial Park and the expanded My Xuan B1-CONAC Industrial Park. ■

## **IDICO Investment Construction Oil and Natural Gas Joint Stock Company**

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Tel: 84-254 3838 423  
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# Preferred Destination for Domestic and Foreign Investors

Established in 2017, Sonadezi Giang Dien Joint Stock Company is the operator and manager of Giang Dien Industrial Park and a member of Sonadezi Corporation - a 31-year investor and developer of industrial park infrastructure. After nearly 15 years of development, Giang Dien Industrial Park has become an ideal destination for domestic and foreign investors, created a driving force for local economic and service development and importantly helped increase local budget revenue. So, where does the irresistible attraction of one of the major industrial zones in the southern key economic region come from?

First, the attraction of Giang Dien Industrial Park comes from its prime location in the most dynamic quadrangle of Ho Chi Minh City, Binh Duong, Dong Nai and Ba Ria - Vung Tau in the southern key economic zone - the area with the largest number of industrial zones in Vietnam. Therefore, the industrial park enjoys absolute advantages in traffic connectivity, just a short drive from the administrative-political center of Dong Nai province, only 44 km from Ho Chi Minh City and 20 km from Bien Hoa City. This location brings great advantages to the industrial park in linking with other provinces, cities and

major economic centers in the southeast region.

In addition, Giang Dien Industrial Park is only about 3 km from North-South Railway, 32 km from Saigon Hi-Tech Park, 22 km from Long Thanh Airport, 48 km from Tan Son Nhat International Airport and near Dong Nai Port, Bien Hoa ICD Depot, Go Dau Port, Phuoc An Port, Cai Mep Port, Tan Cang Cat Lai Terminal and Phu My Port. The extremely convenient location has brought advantages to it in transporting and consuming goods. Long Thanh International Airport is expected to be put into operation in 2025. The Government is also urgently



**Giang Dien Industrial Park is conveniently located in the most dynamic quadrangle of Ho Chi Minh City, Binh Duong, Dong Nai and Ba Ria - Vung Tau provinces**



#### Tenants in Giang Dien Industrial Park receive the great support of local authorities

building a key synchronous traffic network of the southern key economic zone linked to the airport. For its part, Dong Nai province also has a strategy to accelerate VND17 trillion of investment in the construction of Phuoc An Port (Nhon Trach district), expand Go Dau Port (Long Thanh district) and expand Dong Nai Port (Bien Hoa City) to serve industrial development and commodity transportation in industrial zones in the province. With a series of key transport projects under construction, the freight and material transportation from the Southwest, the Southeast, the Central Highlands and the Central Coast to Dong Nai province, including Giang Dien Industrial Park, will be very convenient in the near future and much quicker than before. This is also a great advantage for the industrial park to attract investment capital in the coming time.

Besides its prime location, the appeal of Giang Dien Industrial Park also comes from its well-built modern and connected infrastructure system. To facilitate investors, the industrial park constructed synchronous infrastructure for different purposes and zones (by company size and by nationality). Up to now, the technical infrastructure system of Giang Dien Industrial Park has been completed and synchronized with a full system of electricity supply, water supply, communication system, wastewater treatment system and traffic system, ready to meet the needs of investors.

Particularly, designed to be an industrial park combined with an urban and service area, Giang Dien also has warehouses, logistics, restaurants, convenience stores, coffee shops, banks, customs services, post offices and office spaces for lease to serve short-term and long-term needs of investors and partners. Notably, the 100-ha Giang Dien Serviced Residential Area, adjacent to the

industrial park is surrounded by utility services (schools, kindergartens, hospitals, green parks, amusement and entertainment parks, fitness and sports facilities) to create the best living and working environment for experts and employees, aiming to develop Giang Dien Industrial Park in a sustainable and effective manner.

The third magnet is generated by a variety of industrial products and "soft" infrastructure - practical support services for investors from the time they study and launch their projects till the time their projects go into operation. The company is ready to lease 10,000 square meters of prebuilt factories for lease or for sale, with a flexible individual area of 1,000 - 5,000 square meters, for different needs of tenants of different sizes. The land rental price is the most flexible, attractive and competitive; local labor force is abundant; and raw materials are plentiful.

In addition, since its inception, Giang Dien Industrial Park has also built up solid trust from customers through attractive tax incentives (corporate income tax, import-export duty and VAT); supported customers to carry out procedures on investment registration and business registration and to prepare necessary procedures for investment project establishment; provided a full range of infrastructure services; developed strong ready personnel to quickly fix infrastructure problems to assure customers of doing business. Most importantly, the great support of local authorities has facilitated Giang Dien Industrial Park and its tenants to grow stronger.

Given its favorable factors, Giang Dien Industrial Park is trusted and chosen by domestic and foreign investors as a production base. Its big tenants include Kenda Rubber Co., Ltd., Great Kingdom Giang Dien Co., Ltd., Hokuriku Co., Ltd., Hans Vina Co., Ltd., Global Powersports



Manufacturing Inc. (GPMI), and Air Manufacturing Innovation Vietnam Co., Ltd. With effective business operations, tenants have generated a lot of jobs, greatly contributed to local budget revenue and created motivation for economic development and economic restructuring.

Regarding future development direction, Ms. Nguyen Thi Hanh, General Director of Sonadezi Giang Dien Joint Stock Company, said, as an important industrial park in the southern key economic region and in Nhon Trach urban - industrial area, where there will be the largest high-tech park in Vietnam in the coming time, Giang Dien Industrial Park will focus on developing multi-sector business, with special attention paid to woo investors into high-tech, modern and environment-friendly fields. In addition, the industrial park will give priority to manufacturers of telecom products, automated devices, electronics, biological products, digital equipment, information technology, and electromechanical engineering. Investment projects use modern technology and advanced machinery to make products productively and quicken industrialization because they can combine the latest scientific and technological achievements and utilize foreign investment funds for development.

She said, in 2020-2021, affected by the COVID-19 pandemic, investment inflows slowed down. At present, when the pandemic is gradually being controlled, global manufacturers are focusing on restructuring their supply chains to reduce their dependence on China. This is also a golden opportunity for Giang Dien Industrial Park to

consolidate and strengthen internal resources and prepare land funds for Post-COVID-19 FDI inflows. In addition, the official enactment of many free trade agreements (FTAs) signed by Vietnam (like CPTPP, IPA and EVFTA) will create a launch pad for Vietnam's economy to go deeper into the world economy. This progress will also help the development and investment attraction of industrial zones throughout the country, including Dong Nai province. To effectively accommodate this investment wave, Giang Dien Industrial Park will step up investment promotion in target markets, aiming to increase its occupancy rate, upgrade the infrastructure and provide support services to better meet investors' needs to become a reliable address for domestic and foreign investors. ■



**Giang Dien Industrial Park has a modern and connected infrastructure system**

# Sao Mai Super Feed - Golden Card to Raise Pangasius Quality

After more than five years in the fish feed industry, Sao Mai Super Feed has quickly occupied the market as its products are highly appreciated by customers for their quality and reasonable price.

TAN HUNG



**S**ao Mai Super Feed is a bright star in the fish feed market, trusted by pangasius farmers across the country for superior advantages in sensory, color, taste, and beautiful glossiness of feed pellets, with no banned substances. Thus, fish grow well with a low FCR ratio (feed conversion ratio). Farmers can then actively control the highest quality of commercial pangasius to processing factories to meet strict export standards of the international market amid the difficult post-Covid context.

## Upping seafood class in the world market

After the pandemic, Vietnam's pangasius industry has good opportunities to recover and develop strongly. The demand for pangasius products in many markets has also increased significantly while Vietnamese companies have the advantage of boosting exports as the country entered into free trade agreements with many countries and partners around the world. The price of raw pangasius has picked up by VND3,000-4,000 from the start of the year to VND32,000-35,000 per kilo. The rising price has stimulated farmers and businesses to invest in pangasius production and consumption development in 2022.

Indeed, the bigger you do, the more careful action you must take. When the demand for imported pangasius products climbs strongly in major markets such as the EU and the US, strict quality requirements and technical

barriers from these markets are also higher, forcing the pangasius industry to make efforts to meet. Therefore, constantly improving product quality, specially food safety, no banned substances, and eradicating antibiotic residues is a matter of survival for Vietnamese pangasius fillets on the path to sustainable development and to success in fierce international markets.

In wet rice farming, the most important factor is water, the second is fertilization, the third is labor and the last is seeding. In fish farming, the most important element is feed and the second is good seeding. Indeed, in the pangasius value chain, feed is considered an extremely important factor that determines growth and fish quality and facilitates the success of Vietnam's seafood industry. Therefore, farming households must pay special attention to choosing the right, reputable and premium feed brands to grow healthy, productive fish stocks when harvested.

## Sao Mai Super Feed "lifts" exported pangasius quality

With its intensive experience with aquaculture farmers and in pangasius farming, Sao Mai Super Feed has always strived to bring premium feed products to farmers to become the best choice for them. The company has constantly studied and applied scientific and technological advances to create many superior products, increase farming efficiency and improve commercial pangasius value to enable the king of Mekong fish to swim across the rough sea to reach more daily meals for families and luxury restaurants in foreign countries.

With outstanding advantages, Sao Mai Super Feed is rich in essential nutrients that improve fish health against diseases and reduce input costs with a low FCR ratio. In addition, its feeds are made from high-class ingredients, strictly imposed production processes, and based on production formulas that satisfy international standards such as HACCP, ISO, GLOBAL and ASC to help fish boost resistance to diseases, gain weight quickly and evenly to have high fillet ratio and achieve optimal profitability.

In addition to good feed quality and competitive prices, to help farmers overcome production barriers, Sao Mai Super Feed has developed agents along the value chain, including Feed - Breed - farming - Technical support, to enable farmers to pursue inclusive farming and achieve sustainable success.

Despite joining the fish feed market for a short time, Sao Mai Super Feed products have been present in most pangasius farming areas across the country. In 2021, Sao Mai Super Feed manufactured 114,000 tons of fish feed to become one of the third largest producers by the market share in Vietnam. Sao Mai Super Feed is a golden key to raise pangasius quality, empower farmers with a sustainable foundation, and create real values to address all challenges and enable success for the "billion-dollar" fishery. ■



## NATIONAL TARGET PROGRAM FOR NEW RURAL DEVELOPMENT

# UTILIZING CAPITAL SOURCES

The National Target Program for New Rural Development for the 2021-2025 period is designed to effectively restructure Vietnam's agricultural sector, and spur rural economic development and sustainable urbanization. The total fund for the program is estimated at VND2,455,212 billion (US\$106 billion).

MINH NGOC



Rural economy has improved significantly in the past years

### Toward sustainable economic development

At the National Online Conference on the National Target Program for New Rural Development and the National Target Program for Sustainable Poverty Reduction in 2021-2025, Standing Deputy Prime Minister Pham Binh Minh, Head of the Central Committee of National Target Programs, said that the National Target Programs have made important contributions to national socio-economic

development. In particular, the National Target Program for New Rural Development in association with agricultural restructuring has effectively promoted rural economic development. Basic socioeconomic infrastructure and institutions have been improved, especially in disadvantaged areas, and people's living standards have been increasingly improved materially and spiritually.

The Government has worked out a decree on the management and implementation of national target programs. One of the key contents is decentralizing management to localities, especially to grassroots levels, in order to enhance the activeness and flexibility of all levels of management and execution. At the same time, it is necessary to raise the role of the residential community in planning, implementing, and

monitoring the progress of ongoing national target programs. Governmental supports are conditional, partly assisted by the State Budget. People and organizations join hands, share responsibility for sustainable economic development and eliminate the mindset of "waiting for others to do instead".

According to Minister of Agriculture and Rural Development Le Minh Hoan, to raise the quality and effect of

the programs and solve urgent problems after 10 years of implementation, in 2021 - 2025, the ministry will focus on implementing six programs: Science and technology; one commune one product (OCOP); strengthening environmental protection, food safety and rural water supply; rural tourism development; digital transformation toward smart new rural areas; and improving the quality and effect of security and order criteria in new countryside development.

At the same time, to support localities to fulfill the goals of new countryside construction by 2025, ensure consistency, no overlapping, and no duplication among national target programs, especially in disadvantaged communes in ethnic minority areas and mountainous areas, coastal areas and islands and poor districts, the central budget for the National Target Program for New Rural Development in 2021 - 2025 will support carrying out contents beyond the two national target programs (mainly through thematic programs).

### Raising the most possible funds

At the conference, Mr. Huynh Minh Tuan, Vice Chairman of Dong Thap Provincial People's Committee, said the province strived to have 90% of communes qualified for new countryside standards by 2025, of which 30% will meet newly advanced rural development standards and 10% will meet exemplary new rural development standards. Five district-level localities will complete new rural development standards and one district-level unit will accomplish advanced rural development standards. During this process, Dong Thap province has encountered some difficulties due to slow budget disbursement, leading to slower-than-planned investment in rural infrastructure development. At the same time, due to the impact of the COVID-19 pandemic, the province had difficulty allocating the provincial budgets for the program. The call for investment in concentrated waste treatment facilities in rural areas has met with difficulties because of inappropriate waste treatment technology.

Mr. Dang Ngoc Son, Vice Chairman of Ha Tinh Provincial People's Committee, said the province has faced numerous difficulties and challenges when implementing national target programs. The first is the low effect of organizing production and raising income for rural people. The second is the low percentage (28%) of households with access to standard water from centralized water supply facilities while the provincial resolution set a target of at least 50% of the population by 2025. Ha Tinh province requested central authorities to urgently issue detailed



guiding documents and circulars for the implementation of new rural development criteria at each level.

Standing Deputy Prime Minister Pham Binh Minh emphasized the importance of timely and complete development of legal documents, criteria and guidelines for the implementation of national target programs. He added, "We have completed building institutions, mechanisms and regulations, and we now must focus on implementation." Local steering committees need to carefully study guiding documents; actively promulgate documents concretizing guidelines of the central government; prioritize budget allocation; maximize lawful capital sources for implementation; and actively apply information technology and digital transformation to ensure effective implementation of national target programs. It is essential to strengthen the inspection, examination, and supervision of national target programs. In May 2022, responsible ministries and branches must urgently issue relevant circulars and approve thematic programs and component projects. ■

# Promoting Rural Advantages



After four years of implementation, the One Commune One Product (OCOP) Program has generated a strong and positive effect on socioeconomic development and raised incomes for rural people by unlocking local potential and strengths to make products and services.

BAO NGOC

The OCOP Program has become a key rural economic program linked with new rural development; a rural economic development program built on local strengths and advantages, especially traditional products, and handicraft industries, across the country. By the end of 2021, the OCOP Economic Program was implemented in 63 provinces and cities nationwide. To date, 60 out of 63 provinces and cities have had their products certified and rated.

An important success of the OCOP Program is trade promotion, actively and effectively launched by central and local agencies. The Ministry of Industry and Trade issued a decision on the standardization of OCOP centers/points of sale, helping the country to have more than 142 OCOP centers/points of sale. The modern retail system in the country (large commercial centers such as Central Retail, Saigon Coop and Mega Market) has also actively joined hands in selling OCOP products. Recently, especially during the COVID-19 pandemic, OCOP products have been very well supplied to the market, with strong growth in revenue and selling price. This is proof of the potential and effectiveness of the OCOP Program.

Quang Ninh province was the first province to launch the OCOP Program (it piloted the program before the Prime Minister's Decision 490/QĐ-TTg on OCOP Program was issued.) Mr. Bui Van Khang, Vice Chairman of Quang Ninh Provincial People's Committee, said Quang Ninh defined it as an important economic development program, an appropriate solution to actual local conditions to carry out the New Rural Development Program linked to agricultural restructuring. Up to now, the province has over 330 digitized OCOP products. More than 100 companies have joined the program. On average, about 3,000 orders are placed via e-commerce platforms and the revenue reaches VND1-1.3 billion a year in the last 2-3 years. Many OCOP products are widely promoted by digitization, for example, yellow flower tea and Binh Lieu vermicelli. 2022 is considered a foundation year of the OCOP Program in the 2021-2025 period. This year, Quang Ninh will continue the OCOP Program which is linked to tourism and service development. The province will strongly develop commercial agricultural production and the value chain, and build brand names.

Hanoi is leading the country in OCOP products, with 595 products certified, including 162 3-star products, 429 4-star

products and seven 5-star products. Mr. Nguyen Van Chi, Director of Hanoi Rural Development Office, and Deputy Director of the Hanoi Coordination Office for New Rural Development, said Hanoi's OCOP Program has attracted 72 enterprises, 82 cooperatives and 101 business households into the OCOP Program over the years. The OCOP Program has helped create jobs for over 5,000 rural workers. With consistent and drastic solutions, more than 80% of Hanoi's OCOP products developed well during the COVID-19 pandemic. Especially, the group of agricultural products, fresh products and processed agricultural products has gradually affirmed their foothold in the market. Hanoi planned to have 2,000 more OCOP products certified 3 stars or more in the 2021-2025 period. Each district and town will be able to establish at least one center for designing, creating, introducing, promoting, and selling OCOP products and handicraft products linked to tourism development.

The OCOP Program has created positive changes in social production in rural areas. With socioeconomic resources worth tens of trillions of Vietnamese dong, the influence and spread of the OCOP Program have gradually been translated into social production and become a key solution to realize the socioeconomic goals in new rural construction. ■

*Objectives of the OCOP Program in 2021 - 2025 are: By 2025, at least 10,000 OCOP products will be assigned 3-star or higher class. The program also gives priority to developing cooperatives and small and medium-sized enterprises, and strives for at least 40% of OCOP products to be made by cooperatives and 30% by enterprises; at least 30% of OCOP producers will build circular value chains. The rate of trained workers with appropriate degrees and certificates working for OCOP producers is at least 20%. At least 40% of OCOP producers will be led by women executives. An international cooperation forum on OCOP products will be held at least once a year in order to enhance and affirm Vietnamese OCOP brands in domestic and international markets.*

# DEVELOPING OCOP PRODUCTS TO ENCOURAGE COMMUNITY TOURISM



The One Commune One Product (OCOP) Program has been implemented synchronously, and widely in 63 provinces and cities, according to a report by the Central Coordination Office for New Rural Development. To date, Vietnam has more than 7,400 OCOP products assigned 3-star or higher class made by over 4,000 entities, of which more than 38% are cooperatives, nearly 26% are enterprises, more than 33% are business households, and the rest are cooperative groups.

## DINH BAO

**A** workshop on “Approach to boost OCOP market in Mekong Delta community tourism development” took place in Dong Thap province within the framework of the OCOP Connection Forum for Mekong Delta, themed “Linking for mutual development - Dong Thap 2022”. The Mekong Delta ranks third in the country in OCOP products, and Dong Thap and Soc Trang provinces are Top 10 producers of OCOP products. OCOP products have gradually promoted local distinctions, cultural and traditional values. By 2025, at least 10,000 OCOP products will be assigned 3-star or higher class, including 400-500 OCOP products of 5-star rank.

Mr. Ngo Truong Son, Director of the Coordination Office for New Rural Development under the Ministry of Agriculture and Rural Development, said OCOP products have gradually promoted

their local special, cultural and traditional values. The OCOP Program has only been launched for more than one year but reached all 63 provinces and cities nationwide, with 7,436 products of 3- or 4-star class, of which 67% are classed 3-star, 31% 4-star and 1.5% 5-star and potential. Community-based tourism products have grown strongly, by 300%, arousing local potential and strengths. The Mekong Delta ranks second in the country in community tourism products and services and tourist attractions (11%). In 2021-2025, rural economic development is one of many key tasks approved by the Prime Minister.

Community-based tourism products and services and local attractions are relying on their advantages to develop OCOP-linked tourism services, typically in Dong Thap, Kien Giang and Ha Giang. After more than two years of struggling against the COVID-19 pandemic, we better understand the importance of tourism to the economy. Developing countryside tourism is also an approach to sustainable tourism development in the world today, towards unique, creative and familiar cultural values in harmony with nature, he said.

Dr. Ngo Thi Thu Trang, Deputy Director of Saemaul Undong Rural Development Center, said it is important to assess rural tourism products by developing quality, unique, diverse and sustainable tourist destinations while conserving locally distinctive relics and cultural identities to facilitate the socioeconomic and new rural development of indigenous people.

Dong Thap province currently has more than 60 operational tourist attractions linked to agriculture and cottage industry experiences. The agriculture-based tourism development model is quite effective, helping extend the value chain, increase the value of agricultural products, create more jobs in the countryside, and provide a stable source of income for farmers. Besides, community-based OCOP products have utilized local advantages, identity, and culture from the commune, to the district and to the province. To date, Dong Thap has certified more than 265 OCOP products, including three belonging to the community-based tourism category.

OCOP development has aroused local potential and strengths to make unique rustic products, and gradually transform small-scale production into value chain-based production led by cooperatives and enterprises. At the same time, it has helped provide jobs for workers and foster rural economic development.

The number of OCOP products has increased rapidly but not sustainably, showing that some localities are only focusing on established products rather than locally advantageous products. In addition, stakeholders are inactive in joining the program. Although trade promotion has been launched by many localities, it is still fragmented and inconsistent. Therefore, many delegates said that it is necessary to develop well-branded OCOP products along the value chain, based on local strengths and advantages, culture and knowledge, particularly specialties and rural tourism services driven to move toward the circular economy and ensure a sustainable ecosystem. Agricultural and rural experience tourism service models linked to locally and ethnically typical OCOP material zones and products need to be invested and developed. ■

# AN ENDLESS JOURNEY



**Nam Dinh is one of the first two provinces in the country to fulfill new rural development goals**

Determining that new rural development is regular and continuous, right after becoming the first province to achieve new rural development in the country, Nam Dinh province shifted its focus to building an advanced and exemplary new countryside construction.

## NGOC DAN

### **Achievements made from public strength**

Nam Dinh province was assessed by the Central Steering Committee for National Target Programs as one of the good performers of advanced new rural development. The province has a friendly and modern new rural face. The material life and income level of rural people have increased markedly. The OCOP Program has achieved positive results, even beyond its targets. The province has 146 provincial OCOP products qualified for 2–4-star class, not only helping improve people's

incomes but also standardizing local specialty products and creating local resources to enhance the quality of new rural development criteria. At a recent meeting that reviewed Resolution 26 held by the Ministry of Agriculture and Rural Development, Nam Dinh province confirmed that its new rural development program has achieved significant results.

Mr. Tran Anh Dung, Standing Vice Chairman of the Provincial People's Committee of Nam Dinh province, said that to become a "new countryside province", Nam Dinh has



**Nam Dinh province invests heavily in agriculture, particularly in rural infrastructure**



**The province has 106 out of 204 communes and towns qualified for advanced rural development standards**

experienced many difficulties, especially in the first days of the program. As a coastal province, it is often hit by natural disasters, rains and storms. People's livelihoods and agricultural production are affected. Local budget revenue was low, resulting in limited investment funds for agriculture and rural development. Then, the biggest advantage of Nam Dinh was probably people's resources. Right from the early days of new rural construction, Nam Dinh province adhered to a people-centered viewpoint as they are producers, resources and beneficiaries as well.

By adopting many innovative, creative, and consistent solutions and creating public consensus on the flexible application of Party and State guidelines and policies, by the end of 2019, Nam Dinh was one of the first two provinces in the country to fulfill new rural development goals, 1.5 years earlier than the target set by the resolution of the 19th Provincial Party Congress. Determining that new rural development has a starting point but no ending point, the Provincial Party Committee and the Provincial People's Committee continued to focus on directing relevant bodies and localities to actively implement the advanced and exemplary rural countryside construction program. Despite facing numerous difficulties caused by the COVID-19 pandemic, which comprehensively affected people's social and economic life, the province was determined and endeavored to complete its targets set for 2019-2021. Nam Dinh had 106 out of 204 communes and towns (accounting for 52%) certified to meet advanced and model rural development standards. Hai Hau, Nghia Hung and Vu Ban districts had, respectively, 100%, 71% and 56% of communes and townships recognized to fulfill advanced rural development standards.

In 2019, Nam Dinh was awarded the Third-class Independence Order by the Prime Minister for its achievement of being the first province to become a "new countryside province" and finishing 1.5 years earlier than the target stated in the resolution of the 19th Provincial Party

Committee and 1.5 years earlier than the National Target Program for New Rural Development.

### Setting a higher goal

However, the new advanced and model rural development movement of Nam Dinh province is uneven from locality to locality. The progress in some communes is still slow and investment resources for it are still limited. Environmental protection and water supply are not very sustainable. Hence, at the same time, to successfully carry out the goals of the resolution of the 20th Provincial Party Congress, the Party Executive Board signed Resolution 06-NQ/TU dated June 18, 2021 on advanced and model new rural development in 2021-2025, a pillar and guideline for this purpose.

To concretize the above goals, the resolution puts forth seven key

solutions: Focus on leading and directing advanced and model new rural development tasks - developing synchronous and modern infrastructure, ensuring rural-urban and inter-regional connectivity; focusing investment on new infrastructure construction, prioritizing transport, industry, trade and service infrastructure, new urban areas in the countryside, inter-district and inter-regional waste treatment zones; effectively carrying out the OCOP Program and developing services and industries associated with eco-tourism and countryside tourism to unlock potential and achievements of the new rural development; further attracting investment funds for infrastructure construction of industrial zones to provide space for secondary investors; paying attention to environmental protection and improving rural landscape; comprehensively developing culture and society to promote the role of the Fatherland Front and mass organizations; and ensuring political security and social order and safety, building rural solidarity, consensus, discipline, peace and happiness. ■



# Fostering Education Reform, Labor Market Transformation for Sustainable Poverty Reduction



Although Vietnam made a lot of progress in poverty reduction in the period 2010-2020, there are still challenges in poverty reduction.

## QUYNH CHI

### **A more diverse share of the population is economically vulnerable**

Over the past decade, the poverty rate in Vietnam has fallen dramatically. The poverty rate according to the World Bank's lower-middle-income country standard (US\$3.20/day in 2011 purchasing power parity) has fallen from 16.8% to 5%, with over 10 million people lifted out of poverty. The sudden outbreak of the COVID-19 pandemic at the end of the decade stalled progress on wage increases and improvements in job quality. Progress in poverty reduction was set back, but did not reverse in 2020.

Vietnam's rapid economic growth has lifted many people out of poverty, but a significant portion of the population remains economically vulnerable. About one in five Vietnamese people live below the economic security threshold of US\$5.50 per day and 1 in 10 vulnerable people are at risk of falling below the threshold at times due to shocks.

According to the World Bank's report titled "From the Last Mile to the Next Mile", chronically higher poverty rates among certain groups is a last-mile challenge, but some positive trends have emerged. Poverty rates among some chronically poorer groups were reduced by at least half between 2010 and 2020, including ethnic minorities and households in the midlands and northern mountains

regions. Ethnic minority workers are moving rapidly to work in the manufacturing and processing sectors, at the same rate as the Kinh at the beginning of the decade.

Beyond the poor, a more diverse share of the population is economically vulnerable. The rapid pace of change due to economic development has nonetheless left some people behind and reduced their opportunities to participate in the most dynamic sectors of the economy, and created a large group of people that are no longer poor but not yet in the middle class. Although the risk of falling into extreme poverty is currently low, their legitimate concern is still achieving higher levels of economic security.

Ms. Carolyn Turk, World Bank Country Director for Vietnam, said that Vietnam's poverty reduction and equity agenda was not just about raising minimum living standards and tackling chronic poverty – the Last-mile that Vietnam had done very well so far. The next mile is aiming at creating new and sustainable economic paths for people with higher aspirations. This is a challenging and unprecedented path in light of the changing economic conditions and global climate.

### **Improving the quality of higher education training**

For Vietnam to achieve its goal of becoming a high-income country by 2045, equitable human capital formation and increased labor productivity are key. To achieve an average annual economic growth rate of 6.7%, a necessary condition for Vietnam to achieve high-income country status by 2045, productivity growth per worker will need to increase from 5.3% recorded in 2012-2018 - the highest rate in the past three decades - to 6.6%.

According to the World Bank, Vietnam will face challenges in transitioning to higher-skill jobs without continuing reforms in education and skills development, and transforming the labor market. The main characteristics of the labor market are slow growth of high-skill occupations, high informality rates and an aging workforce. Improving the quality of higher education will be an important step. Improving the fit and quality of personnel and post-secondary education is a way to help reduce the skills gap and improve the perception of businesses having difficulty in recruiting certain skills.

At the same time, to mobilize capital for public investment demand in order to end poverty and develop an economically secure middle class, Vietnam can raise tax thresholds (personal income tax, wealth tax), and explore the application of new taxes to both increase revenue and deal with negative externalities. ■

## SEA GAMES 31

# Golden Opportunity to Promote Vietnam Tourism

The 31st Southeast Asian Games (SEA Games) taking place in Hanoi from May 12 to May 23, 2022 is a “golden” opportunity to promote Vietnam's tourist destination in general and Hanoi capital in particular to international friends, especially as Vietnam's tourism has reopened after a long time being affected by the COVID-19 pandemic.

GIANG TU

According to the Hanoi Department of Tourism, in order to promote the image of Hanoi, with a long history of culture, potential and socio-economic achievements, to domestic people and international friends, Hanoi tourism has been and will be organizing a series of tourism activities to serve the 31st SEA Games.

Many special events and promotion programs have been organized, including Friendship Journey 2022 held in Quoc Oai district on April 24, 2022; Hanoi Tourism Gift Festival 2022 held from April 29 to May 1, 2022, the pedestrian zone of Hoan Kiem Lake; Bat Trang Tourism Week held from April 29, 2022; Opening the Son Tay - Doai Tourism Year and opening the pedestrian street of Son Tay Ancient Citadel held on April 30, 2022; Opening ceremony of Giong Festival at Phu Dong Temple in 2022 and receiving the decision to recognize "Phu Dong Tourist Site" on May 6, 2022; and Love Festival in Hong Van commune, Thuong Tin district held from April 30 to May 2, 2022.

Hanoi Department of Tourism has requested relevant units to develop new tourism products and programs such as the footprints of the ancient village of Bat Trang; night tourism products at the space of Son

Tay pedestrian street, Trinh Cong Son pedestrian street; Night Tour Decoding Thang Long Imperial Citadel; Night tour to explore Hoa Lo Prison; Hanoi City Tour by double-decker bus; and Tour of Southeast Asian Culture by Ethnology Museum.

Currently, several reputable travel companies such as Hanoi Tourist, Vietfoot Travel, LUX Travel, and Vietravel have also built 28 typical tours and programs.

In order to promote the capital's tourism on the occasion of the 31st SEA Games, the city has republished 3,500 tourist maps of Hanoi; 4,000 Books "Hanoi - Safe - Friendly - Attractive Destination" in two languages Vietnamese – English and produced souvenir gifts for promotion of Hanoi tourism to international delegations, athletes and reporters.

The Hanoi Department of Tourism has coordinated with Vietnam Television (VTV) and Hanoi Television (HTV) to broadcast the tourism promotion program "Hanoi - Come to love" from May to December, and with CNN International TV to promote Hanoi's tourism image.

The Hanoi tourism industry also promotes the image of Hanoi's culture, tourism and people on the website of the Department of Tourism, the Hanoi Tourism Website and other social networking platforms, and maintains the Hanoi tourism FM program and tourist support line. ■



# SEA Games 31 Officially Opens with Impressive Ceremony



The 31st Southeast Asian Games (SEA Games 31), the region's biggest sporting event, officially opened in an impressive ceremony at My Dinh National Stadium in Hanoi on May 12 evening.

**P**resident Nguyen Xuan Phuc, National Assembly Chairman Vuong Dinh Hue, and Deputy Prime Minister Vu Duc Dam were among the Vietnamese leaders attending the ceremony.

International guests included Speaker of the Singaporean Parliament Tan Chuan-Jin, ministers and heads of the sports delegations of the 11 participating countries, chief representatives of international organizations, and foreign ambassadors. The opening ceremony saw the presence of a large number of athletes and coaches from the 11 delegations who have been competing in 40 sports since May 4.

The Vietnamese delegation comprises more than 1,300 members. The event began with the Vietnamese flag hoisting ceremony, which was followed by special art performances by over 1,000 artists and athletes to introduce the Vietnamese culture and honor the cultural identities of the countries in Southeast Asia, aiming to strengthen solidarity and friendship, promote the spirit of contribution, dedication and honesty, and motivate people's inner strength through sports competition.

The ceremony looked to not only popularize the images of Vietnam but also express the country's

readiness for integration, creativity, and contribution.

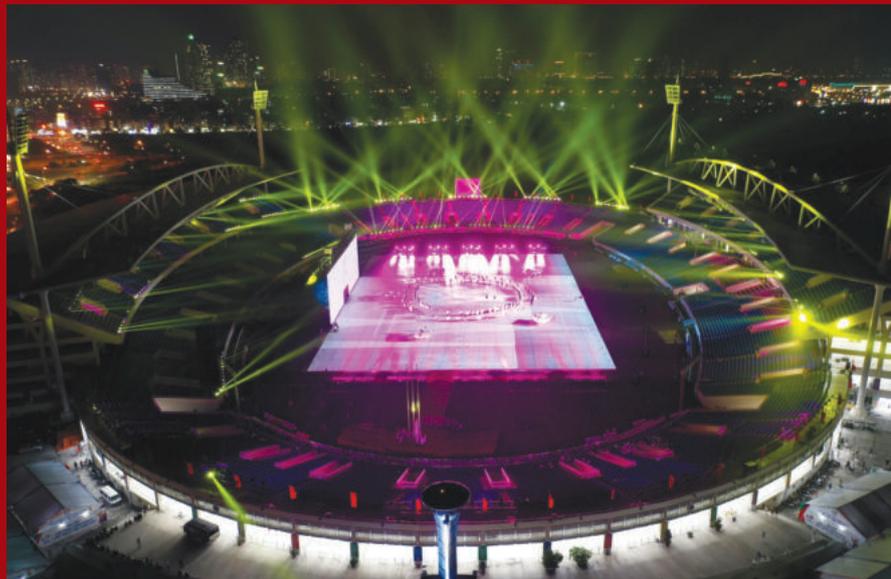
SEA Games 31 is being held in Hanoi and 11 nearby localities until May 23. This is the second time Vietnam has hosted the Games, after the first in 2003.

The My Dinh National Stadium is the venue for the opening and closing ceremonies, athletics, and the men's football final.

Themed "For a Stronger Southeast Asia", SEA Games 31 looks toward not only the success of a regional sporting event but also as an occasion for showing solidarity and friendship, and as a platform for cultural exchanges among countries in the region.

The Vietnamese delegation to SEA Games 31 consists of 1,341 members, including 951 athletes, 250 coaches, and 30 experts.

They are aiming for at least 140 gold medals to top the medal standings. In particular, they are determined to defend the men's and women's football crowns. ■





TỔNG CÔNG TY TÂN CẢNG SÀI GÒN  
SAIGON NEWPORT CORPORATION

# MULTIMODEL TRANSPORTATION

(COMBINING TRUCKING & WATERWAY TRANSPORT)  
WELL ADAPTED TO THE COVID 19 PANDEMIC



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## • MULTIMODEL TRANSPORTATION

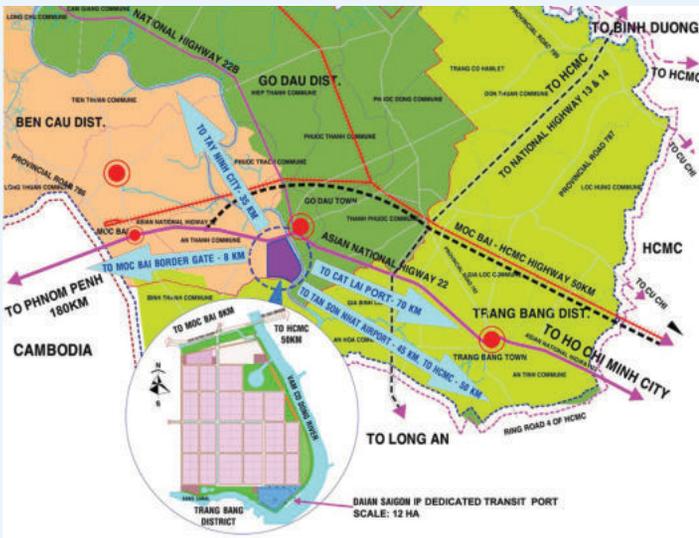
This solution is implemented in a synchronous combination between Tan Cang Waterway Transportation JSC and overland transport units with a transshipment point at Tan Cang - Que Vo ICD (Bac Ninh). This solution ensures the transportation effectiveness of the Bac Ninh - Hai Phong route, quickly adapt to the production needs during the Covid-19 pandemic.

## • ADVANTAGES OF THE SOLUTION

- Supply chain stability
- Time optimization and cost-saving
- Schedule is stable, not limited when entering cargo handling areas.
- The barging capacity is good (36 – 96 TEUS/barge)
- Only 3-4 operators/staff are required per barge.
- All Saigon Newport's Terminals in Hai Phong are under one management of Dinh Vu Customs Branch, this helps shorten clearance procedures for import/export cargo.

# DAI AN SAI GON INDUSTRIAL ZONE

UNDER MOC BAI BORDER GATE ECONOMIC ZONE - TAY NINH PROVINCE  
 SCALE 300 HECTARES & 18.76 HECTARES OF VERDURE FOR ISOLATION  
 LOCATION AN THANH COMMUNE - BEN CAU DISTRICT - TAY NINH PROVINCE



## INVESTMENT INCENTIVES

**10% of enterprise income tax** within **15 years** since projects come into operation. And **Exemption** from enterprise income tax within **4 years** and **50% of the tax** within **9 following years** since taxable income.

**Deducting 50% of personal income tax.**

**Exemption from import tax** within **5 years.**

Commodities produced, processed, reprocessed or assembled in non-tariff areas of border-gate economic zones and exported abroad **are exempt from export duty.**

Other investment incentives of **Value-added tax, Excise tax** are complied with the Law.

## STRATEGIC LOCATION

- To Tan Son Nhat Airport 45Km
- To Cat Lai Port 70Km
- To Moc Bai - HCM Highway 4Km
- To Moc Bai Border Gate 8Km
- To Ho Chi Minh City 50Km
- To Tay Ninh City 35Km

## STRATEGIC LOCATION

Dai An Sai Gon IZ is a multi-sector Industrial Zone which attracts domestic and foreign investment, especially offer the priority to: auxiliary industrial fields; projects applied modern and high technology; non-polluted environment projects and strictly environmental treated projects; projects with cleaner production technology; friendly to environment and energy-saving technology.



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