

BUSINESS FORUM MAGAZINE

VIETNAM Business Forum

THE VIETNAM CHAMBER OF COMMERCE AND INDUSTRY - **VCCI**

VOL. 01, NO. 15 (1296), OCT 20 – NOV 2, 2020
ISSN 1859-0632



VĂN PHÒNG CHÍNH PHỦ

LỄ KÝ KẾT BIÊN BẢN GHI NHỚ

TRIỂN KHAI THỎA THUẬN KHUNG CHIẾN LƯỢC

CHƯƠNG TRÌNH XÂY DỰNG NĂNG LỰC TRONG LĨNH VỰC CHÍNH PHỦ ĐIỆN TỬ CỦA VIỆT NAM

GIỮA VĂN PHÒNG CHÍNH PHỦ NƯỚC CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM

VÀ CƠ QUAN PHÁT TRIỂN QUỐC TẾ HOA KỲ (USAID)

Hà Nội, ngày 13 tháng 10 năm 2020

**MEMORANDUM OF UNDERSTANDING SIGNING CEREMONY FOR VIETNAM E-GOVERNMENT CAPACITY B
BETWEEN THE OFFICE OF THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM
AND THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)**

October 20, 2020

**Partnering with Stakeholders to
Invest in Vietnam's Vision**



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VIETNAM BUSINESS FORUM
Published by VCCI

PHAM NGOC TUAN
EDITOR-IN-CHIEF

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

BOARD OF ADVISORS

Dr. VU TIEN LOC

VCCI President & Chairman

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PHAM NGAC

Former Ambassador to Five Nordic Countries

NGUYEN THI NGA

Chairwoman of Board of Directors, BRG Group

Designer: LE NGOC

Sub-editor: STEVEN GROFF

HEAD OFFICE

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

Tel: (84-24) 35743985/35743063

Fax: (84-24) 35743985

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

Website: www.vccinews.com

SOUTHERN REP. OFFICE

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

Tel: (84-28) 39321099/39321700

Fax: (84-28) 39321701

NORTHERN REP. OFFICE

4th Floor, 208 De La Thanh St.,

Dong Da Dist., Hanoi

Tel: (84-24) 6275 4809

Fax: (84-24) 6275 4835

Chief Representative

NGO DOAN KHUYEN

JAPAN

2nd Floor, Hirakawacho-Koizumi Bldg.,

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

Tokyo 102-0093

Tel: 81-3-5215-7040

Fax: 81-3-5215-1716

Chief Representative

AKI KOJIMA



Available on Vietnam Airlines

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

Printed by the Trade Union Printing Company

PRICE: VND25,000



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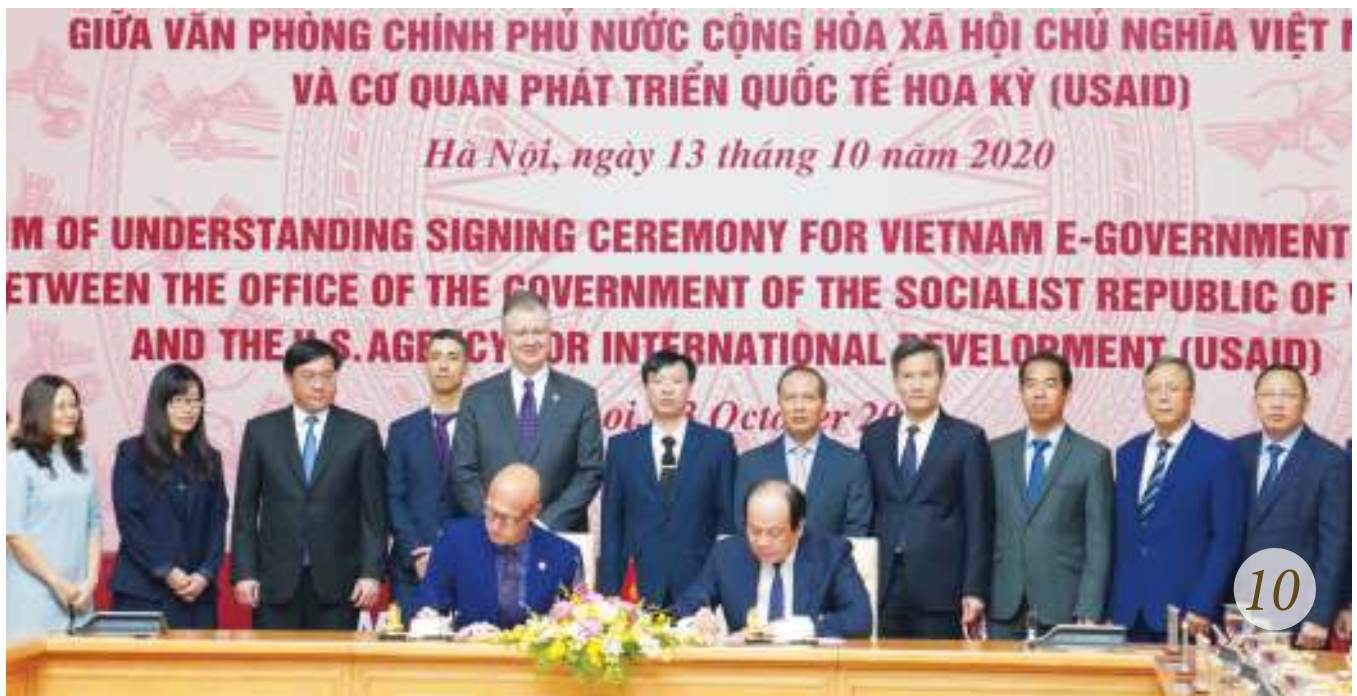
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HỘI NGHỊ THƯỢNG ĐỈNH KINH DOANH VIỆT NAM - HOA KỲ 2020

Đôi tác tin cậy, Thịnh vượng bền lâu

US-VIETNAM BUSINESS SUMMIT 2020

Trusted Partners, Prospering Together

Kỳ họp lần đầu tiên tại Hà Nội
Ngày 10 tháng 10 năm 2020

VCCI President Vu Tien Loc delivers the keynote remarks at the U.S.-Vietnam Business Summit

VCCI PRESIDENT: VIETNAM-U.S. COMPREHENSIVE PARTNERSHIP TO FURTHER DEVELOP IN EFFECTIVE, SUSTAINABLE MANNER

At the U.S.-Vietnam Business Summit held on October 9 in Hanoi by the American Chamber of Commerce in Hanoi (AmCham) and the U.S. Chamber of Commerce, in cooperation with the Vietnam Chamber of Commerce and Industry (VCCI), Dr. Vu Tien Loc, VCCI President, delivered the keynote remarks with the theme: “The Next Stage of Commercial Relations: Views from the Private Sector”. Vietnam Business Forum would like to introduce the remarks.

There are many concerns in the world today, and relationships are at the heart of them. Many people are concerned about humanity's relationship with this fragile planet. And of course, Covid-19 has brought all kinds of matters about relationships at work, among nations, families, and friends into sharp focus. More than ever, how we respond to the challenges associated with the Covid-19 pandemic is essential to ensuring inclusive growth and sustainable recovery.

We are here today, twenty-five years on from the re-opening of relationships between our two countries.

Who, twenty-five years ago, would have thought it possible we could arrive where we now are? Yet here we are. We rely on the quality of relationship for our personal, economic, as well as political, sense of well-being. Good working partnerships are at the heart of that.

Vietnam and the U.S. are now comprehensive trade partners. In 1994, bilateral trade between us was US\$450 million. In 2019, it was US\$77 billion which is a 171-time increase within a quarter of a century. That's truly exponential! For several years, the U.S. has been Vietnam's biggest export market, while





Vietnam has been one of the U.S.'s fastest growing export markets. Vietnam's leaders have confirmed that the comprehensive partnership between Vietnam and the U.S. will be further developed in an effective and sustainable manner, in the interest of our two peoples and for the purposes of contributing to peace, security and prosperity in this region and the world.

As we celebrate 25 years of deliberately growing this partnership, the U.S. is renewing its commitment to a strong and independent Vietnam and a peaceful and prosperous Indo-Pacific region. In the 2017 APEC CEO Summit, President Trump said that Vietnam is in the very heart of the Indo Pacific region. He has affirmed that the development of the U.S.-Vietnam partnership is a special feat. It may not be well recognized in the world at large, but it is a matter of day-to-day experience here that the U.S.-Vietnam relationship stands as a beacon of what determined diplomacy, based on a recognition of mutual interests and underpinned by trade, can do in establishing trust. Today our experience of cooperation through trade has created the basis for trust and understanding, allowing the two countries to establish a comprehensive partnership as evidenced not only by the increasing trade relationship but the strength of the connection between the two countries' peoples in their strategic cooperation. In this 25-year journey of our bilateral relationship, the Amcham in Vietnam has played a significant role. The chair of the Amcham Hanoi, Virginia Foote, is a long-time friend of Vietnam and has worked tirelessly to contribute to this partnership. Thank you Virginia. Thank you Amcham in Vietnam.

In the next phase of our commercial relations, I see a number of key sectors that might be of interest to businesses of both countries. Energy, infrastructure, and digital economy – just to name a few.

Energy

With a rapidly growing economy, Vietnam is facing an increase in energy demand. It is forecast to grow about 10% annually. We thank Amcham for their support to the Made in Vietnam Energy Plan, which was released in December



The signing ceremony to establish the U.S.-Vietnam Business Council

2019. This is, therefore, of strategic significance that American investors continue to work closely with their Vietnamese counterparts in the energy sector in the next stage of our bilateral relationship.

Infrastructure

The Asian Development Bank estimated that Vietnam needs to invest US\$480 billion during 2017-2030, or on average US\$34 billion/year, in infrastructure. The current infrastructure gap is approximately US\$14 billion/year. This investment in infrastructure is a huge opportunity for private companies, especially American companies, to increase their presence in Vietnam. In June this year, the Public-Private Partnership Investment Law was passed with the hope that both public and private financing mechanisms, including sound public-private partnership models, can help Vietnam successfully move infrastructure projects from concept to implementation. In fact, I will discuss this topic of infrastructure further, in a panel of the 2020 Indo Pacific Business Forum on October 28-29 co-hosted by the U.S. Department of State and our office VCCI.

Digital transformation

In 2019, 61% of the Vietnamese population were using the internet. In 2023, this figure is projected to grow to 75%. With this fast-growing rate of connectivity, Vietnam's digital economy is growing at an unparalleled pace. However, that comes with challenges too, for both regulators and users. We would like to work closely with our

American business partners to pursue sustainable growth in the digital economy.

To support our growing partnership, the VCCI and the AmCham in Vietnam have agreed to establish a U.S.-Vietnam Business Council. Through regular dialogue, problem solving, and collaboration, the Council will seek to promote the growth of two-way trade and investment between our two countries; eliminate barriers to trade and investment; and support negotiations for bilateral, regional, or multilateral free trade, investment, and/or taxation agreements. Both ways, we open ourselves to the proper pursuit of business interests.

We are all honored that so many speakers from the U.S. and Vietnam, of great statesmanship and eminence, are joining us today. I do not want to anticipate what they are going to say, but am very conscious that not least among them will be all our memories of the late Senator John McCain whose widow, Cindy McCain, especially touches our hearts in being with us. I would especially wish on behalf of all of us in Vietnam to send our love and gratitude for such generosity of spirit.

We can't talk about John McCain without talking about John Kerry. Thank you Mr. Kerry for all of your work as a Vietnam veteran, a senator, and a secretary of state to build this relationship over many decades, before and after the normalization in 1995.

Madame Albright, it was during your term as secretary of state, for the first time ever a president of the United States of America, President Bill Clinton together with his wife Hillary and their daughter Chelsea, paid a visit to a united Vietnam, in 2000. Exactly 20 years ago. It was the same year that Vietnam joined the United States in signing an historic bilateral trade agreement, of which President Clinton said: "It is what I believe will be seen as a pivotal step toward Vietnam's prosperity". It is indeed the case.

Ambassador Le Bang and Vice Minister Vu Quang Minh, thank you for your pioneering work in building and healing our relationships with the United States in the last several decades.

I am also honoured that Ms. Virginia Foote, Chair of AmCham Hanoi, and Mr. Chad Ovel, Chair of AmCham Ho Chi Minh City & Da Nang, are here to sign the MOU. This is the outcome of the work we have all done to create the U.S.-Vietnam Business Council. We look forward to holding our first meeting later this year and working together to promote the interests of our respective private sectors. 2021 is the beginning of the next quarter century. I extend an invitation to all of you here now, to celebrate with us again in 2045 – though I am sure we shall have much cause for lots of celebrations between now and then!■



Ms. Virginia Foote, Chair of AmCham Hanoi, addresses the summit

U.S.-Vietnam Business Summit Discusses Steps to Advance Trade and Investment



U.S. Ambassador to Vietnam Daniel J. Kritenbrink addresses the summit

The American Chamber of Commerce in Hanoi (AmCham) and the U.S. Chamber of Commerce, in cooperation with the Vietnam Chamber of Commerce and Industry (VCCI), hosted a major conference of the future of the Vietnam-U.S. commercial relationship on October 9 in Hanoi.

NAM PHAM

The U.S.-Vietnam Business Summit, titled, “Trusted Partners Prospering Together”, brought together government and industry leaders from both countries to discuss ways in which to promote expanded trade and investment and new opportunities to help fuel Vietnam’s post-Covid-19 economic recovery.

The business summit, meant to build on the current positive momentum in our bilateral

economic relationship, also celebrated 25 years of diplomatic relations between Vietnam and the United States. The event featured in-person and virtual participation by many current and former officials from the two countries, highlighted by remarks from former U.S. Secretaries of State John Kerry and Madeleine Albright who both talked about the importance of the commercial relationship in helping the two countries strengthen their friendship and partnership.

“Despite Vietnam’s unsustainably large trade surplus with the U.S., I am confident that the growth trend of trade and investment between our two countries will continue, and can strengthen,” said AmCham Executive Director Adam Sitkoff. “Progress on the key issues raised at today’s summit will improve business conditions that strengthen the private sector, ensure economic and social development, attract additional investment, and promote prosperity here in Vietnam,” Sitkoff added.

VCCI President, Dr. Vu Tien Loc, remarked: “Vietnam and the U.S. are now comprehensive trade partners. In 1994, bilateral trade between us was US\$450 million. In 2019, it was US\$77 billion which is a 171-time increase within a quarter of a century. That’s truly exponential! For several years, the U.S. has been Vietnam’s biggest export market, while Vietnam has been one of the U.S.’s fastest growing export markets. Vietnam’s leaders have confirmed that the comprehensive partnership between Vietnam and the U.S. will be further developed in an effective and sustainable manner, in the interest of our two peoples and for the purposes of contributing to peace, security and prosperity in this region and the world.”

Speakers and panel participants discussed a wide range of issues, including promoting sustainable and predictable investment policies; driving growth and innovation through the Digital Economy; addressing Vietnam’s energy development needs; navigating Asia’s supply chain and manufacturing landscape in a post-Covid-19 world; working together to help Vietnamese businesses and entrepreneurs reach their potential, and global trade dynamics and the upcoming U.S. election.

At the summit, Ms. Virginia Foote, Chair of AmCham Hanoi, and Mr. Chad Ovel, Chair of AmCham Ho Chi Minh City & Da Nang, and Dr. Vu Tien Loc, VCCI President, signed the cooperation agreement to establish a U.S.-Vietnam Business Council.

Through regular dialogue, problem solving, and collaboration, the Council will seek to promote the growth of two-way trade and investment between the two countries; eliminate barriers to trade and investment; and support negotiations for bilateral, regional, or multilateral free trade, investment, and/or taxation agreements. ■

U.S Announces Assistance to Strengthen Vietnam’s E-Government Capacity

The U.S. Agency for International Development (USAID) will assist the Vietnamese Government Office in accelerating administrative reforms, enhancing national inter-agency coordination and transparency, and further developing its e-government platform - the National Public Service Portal - which will improve access to information, benefitting both citizens and businesses.

A memorandum of understanding (MoU) to this effect was signed by the Government Office and USAID in Hanoi on October 13.

During the signing ceremony, Ambassador Kritenbrink said, “The Vietnam e-government capacity building MOU signed today demonstrates continued close cooperation between the United States and Vietnam and reinforces the U.S. Government’s commitment to support Vietnam’s efforts in modernizing public administration, administrative reform, and e-government development.”

USAID assistance towards this capacity building effort has four main components: (i) Updating implementing regulations related to online public service delivery and processing; (ii) Organizational change management to improve service delivery and communications plans to strengthen the National Public Service Portal; (iii) Improving business processes, interface design, and user experience on the National Public Service Portal; and (iv) Business process re-engineering support for one-stop shops, focusing on the digitalization of administrative procedure and access to digitized results via the National Public Service Portal.

Over the past 15 years, USAID has been working closely with Vietnam to strengthen the ability of local enterprises to scale operations, improve the business enabling environment, train emerging leaders, reduce the time and cost of trade, and enhance the national and provincial legal and regulatory framework to drive private sector growth.

Nam Pham

For Powerful Vietnam

As part of activities to celebrate Vietnam Entrepreneurs Day, October 13, and the 75th anniversary Uncle Ho sending a letter to the business community, the Vietnam Chamber of Commerce and Industry (VCCI) held a “Party and Entrepreneurs” dialogue on entrepreneurs’ mission to build a powerful country and their proposals to the Party in Hanoi on October 9, chaired by VCCI President Vu Tien Loc. Vietnam Business Forum would like to excerpt some opinions of entrepreneurs on this topic.



Mr. PHAM DINH DOAN

CHAIRMAN OF THE VIETNAM ENTERPRISE AND FAMILY COUNCIL (VEFC), CHAIRMAN OF PHU THAI GROUP

We wish, through today's forum, to send a message that the Party and the Government need to trust the Vietnamese business community because their

resilience is enormous. Our entrepreneurs are ambitious and bold. I hope that the Party and the Government will quickly improve the investment environment, transparency and institutions as much as possible.

In the past time, VCCI has put forth a lot of recommendations, some of which have been adopted by the Government. VCCI has played a very important part in uplifting entrepreneurship. The 21st century is the era of cooperation and unity of the business community. Therefore, I hope that enterprises and business associations will work closer together. In the future, VCCI will continue to be a broad common home to the business community where they gather and cooperate with each other for development in all contexts.



Mr. NGUYEN MANH THAN

CHAIRMAN OF PHU THO BUSINESS ASSOCIATION

Over the past 75 years, the Party and the Government have actively improved business policies and businesspeople have worked hard for today's successes. While some are successful, a majority of Vietnamese companies still face

difficulties. Given unfavorable global fluctuations, we must continue development by restructuring and changing product markets.

Currently, some legal documents are not updated soon enough to keep up with actual requirements, thus producing great impacts on business operations. The Party and the Government need to care about institutions, facilitate the business community to clear difficulties in the

way, starting from the revision of overlapping and inappropriate regulations to adopting very specific transparent and fair mechanisms to the entire business community. For the time being, capital support, technology and favorable procedures are what companies need for product and market restructuring.

We hope and believe that, after the 13th National Party Congress, many innovations will be made to create a new appropriate institution that fits international integration trends and meets legitimate requirements of the entrepreneur force and the business community to lay a solid foundation for building a powerful country in all aspects to meet expectations of the people, entrepreneurs and enterprises.

Mr. HO MINH HOANG

PERMANENT VICE CHAIRMAN OF THE ADVISORY COUNCIL FOR THE VIETNAM ASSOCIATION OF ROAD TRAFFIC INVESTORS, CHAIRMAN OF DEO CA GROUP



The Covid-19 pandemic has partly indicated the position of Vietnam on the world map. To join forces to build the economy and deal with epidemic consequences, nothing is more practical than completing ongoing

projects and putting them into operation as scheduled or committed to fulfill the goal of having rich people, a strong country, an equitable, democratic and modern society, as the Party has set a guideline for our actions and efforts to achieve.

With the “Focused growth” strategy which aims at environmentally friendly projects when it masters road traffic construction technology, from now to the end of 2020, Deo Ca Group will complete and put into operation Hai Van 2 Tunnel, open traffic on Trung Luong - My Thuan Expressway, optimize the production force to take on such projects as Dong Dang-Tra Linh Expressway in Cao Bang province, two Cua Luc bridges in Quang Ninh province, and eastern traffic corridors.

Placed itself in the general context of the country and the world to survive, compete and develop, Deo Ca Group proposed specific actions. The first action is to actively, directly give opinions and ideas to the Government to form a suitable investment environment in the future, with proposals drawn from practical developments to create a good legal corridor for business development. The second is to expand

cooperation and experience and responsibility sharing to create the right supply chains to minimize intangible costs. The third is to review and optimize processes and production forces and identify weaknesses to change for better.

Over the past years, the Party and the Government have dealt with a series of negative issues, consolidated public confidence, and created a new dynamic force for legitimate businesses. I expect and believe that the Party will select the next generation of visionary and innovative leaders.

Mr. NGUYEN HUU THAP

CHAIRMAN OF THE TUYEN QUANG BUSINESS ASSOCIATION



Since the 6th National Party Congress, our Party has adopted new reforms. Since then, the private economy has continuously developed and so have Vietnamese entrepreneurs.

Toward the 13th National Party Congress, I expect and believe that the Congress will continue to see the private economic force as an

important driving force for the country's economic development and as a backbone of the domestic economy. Then, it will make right and appropriate decisions in the new context that suit practical domestic and international situations and match the needs and development capacity of the business community, especially the private sector and small and medium-sized enterprises (SMEs).

However, over the past time, when businesses have faced a lot of difficulties in several decisions and regulations. Therefore, we think that we need to increase the participation of such organizations as VCCI or the Vietnam Fatherland Front in institutional reform and include legislative tasks to subordinated professional bodies. I also propose strengthening the role of the Ministry of Justice and relevant bodies and assigning legislative work to justice divisions of ministries, rather than the agencies which are responsible for administering affairs subject to be governed by new rules.

Mr. NGUYEN DUC CAY

CHAIRMAN OF THE BOARD OF DIRECTORS OF CONSTREXIM HOUSING DEVELOPMENT INVESTMENT JOINT STOCK COMPANY



To help businesses and entrepreneurs with inclusive development, some changes need to be made:

Firstly, on mechanism and policy, it is recommended that the Party pay special attention to consistency of mechanisms and policies on management institutions to eliminate overlapping circulars and decrees issued by ministries and central agencies as soon as possible.

Secondly, we hope that the Party and the Government will, by all means, thoroughly handle bureaucratic

harassment and corruption in the public agencies from central to local levels.

Mr. PHAM VAN THE

CHAIRMAN OF THE QUANG NINH BUSINESS ASSOCIATION



Vietnamese entrepreneurs hope that the 13th National Party Congress will accelerate the second reform wave, create an ecosystem for the boom of innovative entrepreneurs. For a mighty Vietnam, right from now, we need to shape the face of the

Vietnamese entrepreneur force for the next 25-30 years with many policy recommendations below.

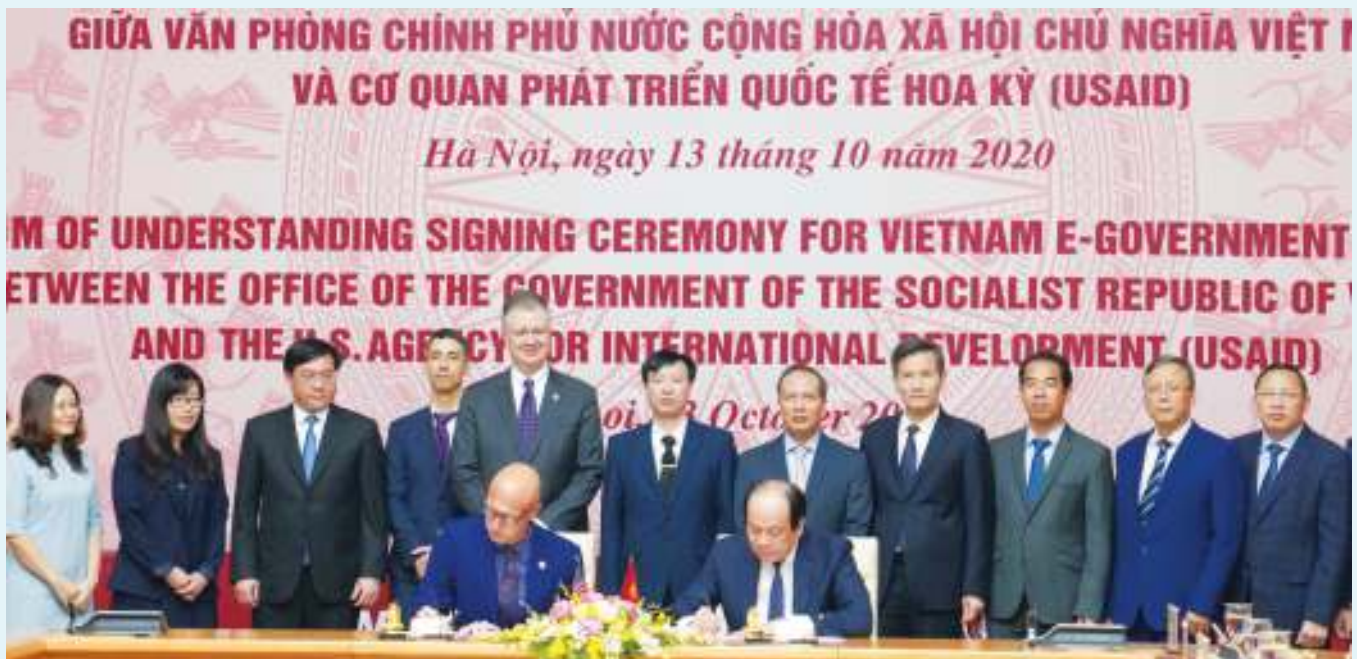
First, the Government should continue to study and perfect market economy institutions, transparently publicize socioeconomic development plans and orientations and support policies; and provide businesses of all economic sectors with equal access to development resources. It needs to study and improve laws on business ownership and rights, create a legal environment for fair and equal competition, eliminate business privileges; further reform administrative procedures, ensure public service agencies and executors to support and accompany businesspeople; develop and implement dialogue and consultation mechanisms for businesspeople for lawmaking and policymaking.

Second, it needs to introduce measures to support entrepreneurs to join the official business sector, expand the operating scale and performance of their businesses, focus on developing entrepreneurship in rural areas; encourage business mergers and acquisitions and apply appropriate measures to rapidly increase medium-sized enterprises; accelerate the formation and development of large-scale enterprises capable of leading and supporting SMEs to deeply join global supply chains.

Third, the Government needs to create fundamental changes in training and fostering entrepreneurs; develop and implement national programs on entrepreneurship training toward international standards; uphold business culture and social responsibility of entrepreneurs, build harmonious labor relations, protect the environment and pursue sustainable development.

Fourth, it also needs to promote the role of business representative organizations, guide and support the establishment and cooperation of business associations; collect and reflect aspirations, opinions and recommendations of businesspeople, advise the Party and the State on socioeconomic policies; implement measures to uphold business and entrepreneurship development.

Fifth, the Party's leadership of entrepreneur development is necessarily enhanced. It is necessary to develop and implement entrepreneur development strategies; institutionalize Party policies on entrepreneurs with specific action programs; and increase entrepreneur representation in political agencies. ■



USAID signs an MoU with Vietnamese Government Office to help strengthen the country's e-government capacity, October 13, 2020

Partnering with Stakeholders to Invest in Vietnam's Vision

Vietnam Business Forum recently had an interview with Ms. Ann Marie Yastishock, Mission Director of the United States Agency for International Development in Vietnam. While a donor institution may not be the first organization that comes to mind for most of our readership to keep an eye on, we think this article could change your mind. USAID's continuing work to improve the legal and regulatory environment for business, to build public and private sector institutional capacity, and to invest in human capital to prepare a rising workforce for the demands of tomorrow clearly positions USAID as a prime partner for the business minded.

Impressed by Vietnam's multi-decade GDP growth of 7% annualized since the launching of economic and political reforms under Đổi Mới in 1986, she remarked that the combination of market based systems and inclusive governance can be a powerful transformative force for an economy. Vietnam's management of Covid-19 is a commendable example of inclusive and transparent governance. According to her, with the swift action by leaders and the trust of citizens, Vietnam minimized the endogenous impact of the pandemic and again remains a standout in the region for the low caseload, mortality rate, and rebounding economy.

Vietnam has not lost its laser focus on achieving upper-middle income status by 2035. Ms. Yastishock pointed to Resolution 10 of the Party Central Committee as Vietnam's crucial pivot towards developing the private economic sector into a key driver of a market economy. While there is more ground to cover, recent successes in the passage of Vietnam's first ever public-private partnership law, with support from USAID she was quick to add, heralded an opening for realizing a more sustainable approach to partnering with the private sector to meet public infrastructure needs, such as port upgrades, multimodal transport & logistics, energy transmission

and renewable energy generation. Without such investments, Vietnam's heavily utilized infrastructure complex could become a drag on growth as the demand outstrips capacity. She cautioned that maintaining competitiveness demands an unwavering commitment to tackle difficult and politically sensitive policy reforms, transparent processes and inclusive systems.

Ms. Yastishock emphasized that 2020 marks the 25th anniversary of bilateral relations between Vietnam and the United States, an auspicious year for her to arrive in Vietnam. Nearly two decades of development assistance are a testament to the deepening relationship between the United States and Vietnam. She reiterated that the United States is committed to supporting the development of a strong and prosperous private sector that bolsters Vietnam's economic growth. Working hand-in-hand with the Government of Vietnam, she noted, helps remove constraints to and build the competitiveness of Vietnam, which stands as a bulwark against other countries in the region who may wish to impose their will upon Vietnam.

Given USAID's long history in Vietnam, Vietnam Business Forum inquired about the organization's track record on supporting entrepreneurship and businesses. Ms. Yastishock highlighted a near universal principle that trade is the

lifeblood of an economy. By reducing the time and cost of trade, both sides of the trading relationship benefit. USAID embarked on a series of trade-centric projects, from 2001 to 2013, under the Support for Trade Acceleration (STAR) banner. STAR is noteworthy because it was the first major U.S. technical assistance in Vietnam after the war and the first major USAID project worldwide designed in collaboration with the office of the U.S. Trade Representative (USTR) in support of a trade agreement, specifically, the U.S.-Vietnam Bilateral Trade Agreement (BTA), which normalized bilateral trade relations. The BTA paved the way for the U.S.-Vietnam Trade and Investment Framework and Agreement (TIFA) in 2007 and Vietnam's accession to the World Trade Organization in that same year deepening the commitments outlined in the BTA. According to Ms. Yastishock, the statistics speak for themselves. STAR supported more than 150 enabling laws and regulations, paving the way for most favored nation status reducing tariffs by 40%, expanding Vietnamese exports to the U.S. substantially, and raising Vietnam as a sizable export market for the United States (U.S. exports to Vietnam: US\$367 million in 2000; US\$1.1 billion in 2006; and to over US\$10 billion by 2019). The United States was Vietnam's second largest trading partner in 2019.

Another pivotal project for USAID, she noted, was the Governance for Inclusive Growth (GIG) project which supported legislative and regulatory reforms, expanded USAID's direct engagement with the private sector, and is credited with contributing to Vietnam's improvement in multiple competitiveness rankings. Ms. Yastishock stressed that USAID funded multiple programs over the years working in concert to support Vietnam, but would be remiss in not highlighting USAID's longest running cooperation with Vietnam through a strong and productive partnership with the Vietnam Chamber of Commerce and Industry (VCCI), the Provincial Competitiveness Index (PCI). PCI, driven by private sector survey responses on the provincial government performance, spurred healthy competition across Vietnam's 63 provinces generating a virtuous cycle of business ecosystem reforms reducing barriers, paperwork, and administrative processes. PCI's success translates to Vietnam's success as 73% of government officials reportedly rely on PCI as a tool to engage with and address the needs of the private sector regarding economic governance.

In the context of Covid-19 and the global economic slowdown, USAID's economic programming focused on boosting private sector competitiveness and improving the business enabling environment. Vietnam has been growing so quickly for decades that the legal and regulatory frameworks and physical infrastructure underpinning the economy are straining to keep up, an envious position for any economy, she quipped. Clean, affordable, secure, and reliable energy is something that many take for granted, even in



USAID/Vietnam Mission Director Ann Marie Yastishock leads the United States' portfolio of development assistance and technical support to Vietnam spanning health, education, energy, environment, disabilities, trade facilitation, business development, and more.

With an annual budget of approximately US\$130 million, she oversees an impressive basket of resources to tackle development challenges in Vietnam.

As a career member of the Senior Foreign Service, Ms. Yastishock served in overseas leadership roles in Eastern Europe, Eurasia, Afghanistan, and Myanmar. Her experience as a lawyer and her time in post-Soviet countries helped inform her governance and rule of law advocacy. To this day, she remains a self-described champion for governance and market orientation.

Vietnam. Electricity demand is outpacing GDP growth and USAID's programs such as the Vietnam Low Emission Energy Program, Vietnam Urban Energy Security, and USAID INVEST are tools to mobilize private sector resources to address Vietnam's critical energy needs. Energy is not the only factor that the private sector looks to when assessing how hospitable a potential investment destination may be. The cost of trading across borders and supply chain partners' capacity are other facets that USAID is targeting with technical assistance. USAID's Trade Facilitation Program is helping to reduce the time and cost of trading across borders while the Linkages for Small and Medium Enterprises project is enhancing and deepening supply chain connectivity.

Vietnam finds itself at an interesting crossroads. The gains from labor intensive industry have plateaued. Ms. Yastishock pointed out what is seemingly obvious: the Internet and the growing digital economy are not going away. This fact has profound implications for the Vietnamese economy. The Government of Vietnam's strategic vision aspires to become a premiere digital hub by 2045 for the region and building a knowledge based economy where innovation and entrepreneurship thrive. Rapid digital adoption, beyond mere cell phone use, will be essential for businesses and the government to foster a self-sustaining digital economy. As USAID partners with Vietnam, it is mindful of the importance of equipping the innovators of tomorrow with the tools to allow them to be successful. USAID's higher education and workforce development programming will do just that. Future entrepreneurship and small and growing business projects will accelerate technology adoption to

expand the digital footprint in Vietnam. Getting resources to innovators who invest in their own growth is imperative. By deepening financial markets, financing options are expanded for Vietnam's entrepreneurs. Ms. Yastishock expects USAID will continue to work on legal and regulatory reform, pushing out the frontier on policy reforms that create space for Vietnam's growth and digital transformation.

Ms. Yastishock closed by sharing that USAID invests in the future and in building long-lasting and sustainable partnerships, with the private sector, and with sovereign partners, such as Vietnam. USAID's presence in Vietnam is a signal of our commitment to further deepening our relationship with a valued partner in the Indo-Pacific region. Vietnam has much to be proud of and its economy is a reflection of the government's willingness to embrace change. Future growth will require continued investment, human capital building, and policy reforms. USAID is open to partnering with stakeholders that are willing to invest in Vietnam's vision.

We welcome you to Vietnam Ms. Ann Marie Yastishock! Let's do business! ■

Potential for Economic Cooperation in Indo-Pacific

Forming a high-speed network at sea

Indo-Pacific is an area located on the coasts of the Indian Ocean and the Western Pacific Ocean with the waters connecting these two oceans, including countries in Northeast Asia, Southeast Asia, South Asia and many other countries in the Middle East and Africa. This area converges many arterial sea routes of strategic importance to world trade, such as the route through the Bering Strait and the Malacca Strait (25% of world trade goods must pass through the Strait of Malacca).

With nearly half of the world's population, the Indo-Pacific region is currently the largest global market. This is also one of the most economically dynamic regions, the majority of world trade transactions are concentrated in this area. The Indo-Pacific region also gathers many sea powers, including the world's three largest economies, the U.S., China and Japan. There are also 7 out of 8 fastest growing markets in the world, typically India, China, Australia, Indonesia. Therefore, the potential for cooperation between the developed and developing economies in the region is huge.

Similar to the Trans-Pacific Economic Partnership, the oceans play a crucial role in the development of the countries of the Indo-Pacific region, providing abundant marine resources and being the key factor to ensure economic prosperity in the region.

Focus of attention of major powers

The free and open Indo-Pacific region is the U.S. strategic choice as a key policy counterpart in Asia. This was mentioned by U.S. President Donald Trump at the APEC Economic Leaders' Meeting in Vietnam in 2017. The U.S. goal is to increase FDI capital for countries in the region, focusing on three sectors including digital economy, energy and infrastructure.

On October 6, 2020, within the framework of the meeting of the four Diamond Quartets (QUAD group) in Tokyo, the U.S., Japan, Australia and India committed to share a common vision of the free and open Indo-Pacific and based on the rule of law. Some of the focus topics discussed in this event include: Connecting and developing infrastructure; regional stability and prosperity.

On the European side, the French and German governments have also adopted the Indo-Pacific strategy. The Indo-Pacific countries are important partners to the

With nearly 50% of the world's population, rich resources and many important sea routes, the Indo-Pacific region increasingly dominates the global political-economic map.

HUONG GIANG

French economy, accounting for more than 33% of the country's exports and more than 40% of its imports. The German government also has a policy of diversifying and strengthening relations with ASEAN countries, Australia and India through the signing of additional free trade agreements (FTAs) in the region.

Together with the QUAD, Japan, India and Australia are working toward a "Tripartite Supply Chain" alliance under the Supply Chain Recovery Initiative (SCRI) in the Indo-Pacific to reduce global supply chain dependence on China. It is expected that the Supply Chain Alliance will be established in November 2020.

Central location advantage

Southeast Asia is of great strategic value because it is located on the trade route between East Asia to European countries, Africa, the Middle East and India. With a population of about 660 million and well-secured regional stability, ASEAN attracts the attention of superpowers as it lies between the Indian and Pacific Oceans. Implementing an open and balanced foreign policy, many forums and cooperation mechanisms initiated and led by ASEAN such as the EAS, ARF, ADMM + and ASEAN + have attracted the participation of domestic and foreign powers, and promoting efficiency in dealing with general security issues.

In particular, the "Indo-Pacific Vision" of ASEAN was approved by Southeast Asian leaders at the 34th ASEAN Summit in June 2020. Located in the central position of the Indo-Pacific region, ASEAN countries have many advantages to attract investment and promote trade in the coming time.

On the Vietnamese side, the country ranking 4th in ASEAN GDP (according to IMF statistics in October 2020) is facing many opportunities for development and cooperation with the economies of the Indo-Pacific region, especially in the marine economic sector. With its long territorial sea, Vietnam plays a role as a gateway to connect inland Asia with the Indo-Pacific. Vietnam has many areas for building seaports, including many deep-water ports, allowing Vietnam to provide logistics services to countries inside and outside the region. In addition, Vietnam is located on the Trans-Asia road, which is located on the main axis of the East-West Economic Corridor (EWEC) connecting the Pacific Ocean and the Indian Ocean, creating great potential for fast and effective freight transportation at low cost. ■

Vietnamese Exporters Likely to Gain US\$633 Million by Increasing Trade with India

Vietnamese businesses could increase exports to India by US\$633 million annually, according to the Standard Chartered Trade Opportunity Report. The study also found that Indian exporters could boost trade with Vietnam by an estimated US\$475 million, bringing the bilateral trade opportunity to US\$1.1 billion.

LE HIEN

Sector	Actual exports (US\$ millions)	Opportunity to increase exports (US\$ millions)
Wholesale and retail trade service	141	87
Transportation and storage services	114	86
Cotton (including sewing thread, yarn and fabric)	14	78
Office admin and other business support services	18	67
Knitted clothing	10	36

Top 5 high-potential export opportunities from Vietnam to India

The ASEAN markets in the study (Indonesia, Malaysia, Singapore, Thailand and Vietnam) have a combined opportunity of US\$10.7 billion to increase exports to India.

The research tracks high potential exports, defined as goods or services where businesses have added value with the borders of their home market. As markets look to recover from the impact of Covid-19, the study champions global trade as a key lever of prosperity, highlighting the sectors with the greatest opportunities for growth.

Vietnam's wholesale and retail trade services sector has the most to gain, with a US\$87 million opportunity.

India is now one of Vietnam's top 10 trading partners, and Vietnam ranks as India's fourth-largest ASEAN trading partner. With the post-Covid-19 shifts in supply chains, the India-Vietnam trade route could become increasingly important for international businesses.

Other Vietnamese sectors with significant opportunities in India are transportation and storage services; cotton (including sewing thread, yarn and fabric); office admin and other business support services and knitted clothing.

"Vietnamese and Indian efforts to grow trade between the two markets have clearly been working, with bilateral trade growing at the steepest rate ever recorded. As Vietnam plays an increasingly important role in global supply chains, its relationship with India is likely to strengthen

further – especially with India investing close to US\$2 billion in over 200 projects in Vietnam. As this study shows, India presents many opportunities for Vietnamese companies seeking new and fruitful avenues for growth," said Nirukt Sapru, Chief Executive Officer, Vietnam and ASEAN & South Asia Cluster Markets, Standard Chartered.

The study estimates that India could increase high-potential exports to Vietnam by US\$475 million annually, or 12%. The Standard Chartered Trade

Opportunity Report identifies opportunities at a sectoral level, across both goods and services, between India and 10 of its key trading partners. The study contrasts actual export values with potential export values – calculated by an economic model – to uncover medium-term opportunities, looking to a post-Covid-19 world as economies begin to reopen.

Overall, the study reveals opportunities totaling an estimated US\$38 billion annually: a US\$21 billion opportunity for the 10 markets to increase exports to India, and a US\$17 billion opportunity for India to increase exports in the other direction. ■



Cotton including sewing thread, yarn and fabric is among high-potential exports to India



Given the positive impacts of EVFTA, commodities such as rice, shrimp, coconut, dragon fruit, coffee and passion fruit have now gained easier access to the Europe market

EVFTA Boosts Agricultural Exports

Two months after the EVFTA agreement came into effect, the export value of many agricultural products of Vietnam to the EU has surged, laying the foundation for a strong boost in the future.

HUONG LY

Rise in both export price and output

Given the positive impacts of the EU - Vietnam Free Trade Agreement (EVFTA), commodities such as rice, shrimp, coconut, dragon fruit, coffee and passion fruit have gained easier access to the Europe market with unprecedented preferential tax rates.

According to data from the Ministry of Industry and Trade, in just August 2020, the first month EVFTA was in effect, the export value of agricultural, forest and aquatic products to the EU reached US\$350 million, an increase of 17% over July 2020. Notably, the export value of Vietnamese fruits and vegetables to the EU was estimated at US\$14.7 million in August 2020, up 25.2% against the previous month.

In only the first month of EVFTA enforcement, authorized organizations issued more than 7,200 certificates of origin (C/O), Form EUR.1, for US\$277 million worth of goods shipped to EU countries. Many shipments have arrived at the EU market, cleared customs and enjoyed preferential treatments.

The export prices of agricultural products to Europe also picked up significantly. For example, Vietnam's rice export price improved after the EVFTA came into effect with an increase of US\$80-200 per ton as compared to the end of July 2020.

All agricultural shipments are subject to traceability and Global GAP standards. Fruit processors and packagers are applying ISO and HACCP food safety management systems

(HACCP) to meet EU requirements.

Currently, the EU is the fourth export market for Vietnamese fruits and vegetables. This existing foundation plus EVFTA-committed import tax exemptions and reductions are empowering the competitiveness of Vietnamese fruits against its competitors.

Opportunities in 2020

To uphold this performance till the end of this year, the Government, the Ministry of Industry and Trade and relevant ministries and agencies will continue to raise awareness of commitments in trade in goods, trade in services, investment, planned tax exemption/reduction on goods and market access commitments as per EVFTA, to improve the knowledge and understanding of people and businesses about this pact.

Dr. Vu Tien Loc, President of the Vietnam Chamber of Commerce and Industry (VCCI), said, EVFTA is the most eagerly awaited agreement in the past time. The EU is a major importer, with the second largest purchasing power in the world, and a key market for Vietnamese exports for many years. In Asia, Vietnam is one of a few countries to have a trade agreement with the EU (the others include South Korea, Japan and Singapore).

"In the long run, to realize great EVFTA opportunities, businesses need to have complete and accurate understanding of specific commitments relating to their business activities. Then, they will effectively prepare and utilize EVFTA commitments," he added.

Ms. Nguyen Thi Thu Trang, Director of the Center for WTO and Integration under VCCI, said that results of EVFTA enforcement in the first month are indicative for businesses to be more confident to take advantage of EVFTA commitments, especially exports to the UK in the remaining months of this year because this market gives EVFTA treatments to Vietnamese goods till the end of 2020.

Regarding communication contents to businesses, Mr. Andreas Stoffers, Director of the Friedrich Naumann Foundation (FNF) in Vietnam, said, for a long time, the media has often regarded EVFTA as an opportunity to boost exports and to attract FDI. These advantages are obvious. Importantly, the message conveyed to enterprises is easy to understand, for them to take appropriate actions to gain the most benefits.

Saying that the Netherlands - the gateway to the EU market - will bring a lot of opportunities for Vietnamese fruits and vegetables, Mr. Vu Ba Phu, Director of the Vietnam Trade Promotion Agency (Vietrade) under the Ministry of Industry and Trade, said, enormous opportunities for fruits and vegetables are concentrated in cooperation ties with Dutch traders who import a lot from developing countries. For a long time, the Netherlands has been considered a leading transit location for fruits and vegetables in Europe and the world.

Safety-based production

For fruits and vegetables, although the EU is a potential market, its imports from Vietnam account for a very small share, only about 0.08% of the EU's total EU imports. The EU is a demanding market which imposes very strict requirements and technical barriers on pesticide residues and prohibited substances. Therefore, safety-based production is a must for businesses, he said.

Mr. Mathijs van den Broek, Member of the Executive Board of the Dutch Business Association in Vietnam (DBAV), said, EU importers often look for reliable suppliers in strategic areas for fruit and vegetables can be reliably supplied to consumers at any time of the year. Exotic tropical fruits will appeal to EU consumers. This will be a strength for tropical exporters like Vietnam.

When vegetables and fruits exported to the EU violate food hygiene and safety regulations, they will be returned, thus causing damage not only to exporters but also to the Vietnamese fruit and vegetable industry. In addition, deep downstream processing will help make use of vegetables, tubers and fruits as raw inputs for processing which will maximize the value of harvested products and help farmers increase their incomes because their products are sold out.

Recommending many useful solutions for businesses, Mr. Dang Phuc Nguyen, General Secretary of the Vietnam Fruit and Vegetable Association, said, to utilize EVFTA tax incentives, businesses must build a safe materials zone and build post-harvest preservation and processing systems. In addition, they need to focus on other important factors such as social responsibility, labor and environment standards; pay more attention to market research on products for each country and each region. In this regard, the government also needs to support them, especially through trade counselors in the EU. ■



To support businesses to learn about the EVFTA, the Center for WTO and Integration under VCCI and relevant agencies has published a business handbook: an insight into EVFTA.

This document summarizes EVFTA contents, selected among commitments deemed to exert most direct effect and expected to have most impact on enterprises.

In the coming time, VCCI will continue to lecture on EVFTA commitments and detailed guides to each industry and each business to carefully prepare for EVFTA opportunities.



Vietnam Implements Reforms to Support Businesses Hurt by Pandemic

The General Department of Vietnam Customs has aggressively carried out customs policies and solutions to facilitate businesses affected by the Covid-19 pandemic to maintain operation, contributing to State budget revenue.

For example, the General Department of Customs does not require customs declarants to submit paper documents of the customs dossier as a photocopy; nor requires them to sign or stamp these vouchers when sent through the system. For the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), no supporting documents are required in case goods are transported in a full container from the exporting country until arriving in Vietnam. The General Department of Customs accepts the master bill of lading or the secondary bill of lading if it shows the goods transported from the exporting country to the importing country.

The General Department of Customs does not sanction administrative violations for means of transport exceeding the time limit for re-import or re-export as prescribed, if there is a document identified in a force majeure event due to the suspension from entry and exit by the Lao Government or operators of means of transport are subject to the measure of concentrated isolation at the time when the means of transport must be re-exported or re-imported.

Customs Departments of provinces and cities that have international airports have coordinated with border authorities in quickly settling procedures, facilitating visitors to enter from or pass through epidemic zones, examining passengers' check-in baggage and ensuring fast and safe operation.

The General Department of Customs also implements Circular 47/2020/TT-BTC dated May 27, 2020, thereby extending the deadline for submission of proof of origin of goods; accept C/O using signature, electronic seal or photocopy/scanned copy of C/O to submit to customs authorities.

Due to the impact of the pandemic, enterprises have difficulty exporting goods, the General Department of Customs has reported to the Ministry of Finance about solutions to remove difficulties for enterprises in the direction of allowing enterprises to extend the time of storing goods in bonded warehouses and duty-free shops until the epidemic is over.

The Covid-19 pandemic has spread over the world, leading to limited travel and the closure of many border gates, disrupting import and export activities, affecting the supply of raw materials for production and leaving many enterprises facing a dilemma. The pandemic has caused most economies in the world to slow down, including Vietnam.

HUONG HAU

The General Department of Customs has signed agreements with 43 commercial banks to coordinate in electronic tax collection, of which 36 banks participate in electronic tax payment and customs clearance 24/7. The electronic budget revenue reached 97.3% of the total budget revenue of the General Department of Customs.

In addition, the Customs Departments of provinces and cities have actively implemented a number of solutions to effectively support businesses such as implementing customs procedures, rapid customs clearance of import and export goods, helping supply businesses with raw materials, supplies, machinery and equipment to promptly serve production activities. Specifically, at centralized goods inspection locations, goods inspection (container screening) are applied 24/7 according to the needs of businesses. Customs sub-departments regularly arrange officers on duty outside office hours to handle customs procedures for businesses.

For businesses that have temporarily suspended operation due to the Covid-19 epidemic, the sub-departments regularly keep up with information and keep in touch with local enterprises to remove difficulties, promptly adopt solutions to support, well implement the business management, and prevent bad debts due to escaped or missing enterprises.

The General Department of Customs also receives and quickly settles tax refund and exemption dossiers, creating favorable conditions for enterprises to re-invest, boost production and business, and increase revenue. The Department also promotes the application of information technology in handling customs procedures, maintains good implementation of online declaration and clearance, and increases the number of records resolved through online public services. The Department pushes to answer questions about customs procedures for businesses through the web portal of the industry.

The Department continues to recognize problems, difficulties, recommendations of businesses beyond their authority to report, and propose to leaders at all levels for consideration (such as extending tax payment time for businesses facing difficulties due to the Covid-19 epidemic). The sub-departments have suspended inspection and assessment of the compliance of the customs declarants and promoted information collection and analysis to detect signs of violations of enterprises. ■

Stepping up Solutions to Complete Budget Revenue Tasks



To achieve the estimated budget revenue of VND338 trillion, the General Department of Vietnam Customs will have to collect over VND110 trillion in the fourth quarter of 2020.

Nevertheless, the customs sector will have to refund tax on auto spare parts as per Decree 57 in the quarter and the budget revenue is estimated at VND74.100 trillion, or VND24.7 trillion (over US\$1 billion) a month on average.

The sector is expected to collect VND300 trillion in 2020, reaching 88.75% of the estimate and 84.53% of the plan, down 14.03% year on year.

HIEN LE

In order to achieve the highest level of State budget revenues in 2020, customs agencies will focus on implementing solutions to ensure revenue and prevent loss in State budget revenue from now until the end of the year. Specifically, the customs sector will continue to expand electronic tax payment with commercial banks according to the 24/7 tax payment scheme and expand the electronic tax payment program for enterprises.

The customs will strongly carry out measures to increase budget revenue as per Directive 1040/CT-TCHQ dated February 21, 2020 on drastic implementation of consistent measures to facilitate trade and combat revenue loss in 2020; assess impacts of the Covid-19 pandemic according to economic growth scenarios on State budget revenue in 2020 to find the best solutions to this effect.

The customs will intensify customs control, plans and topics to combat smuggling and trade fraudulence of important commodities; strictly execute the General Department of Customs' Plan 4575/KH-TCHQ dated July 15, 2019 on strengthening control of drugs and precursors; it will pay attention to professional drug control measures in all stages, levels and localities; accelerate information collection and analysis and apply modern inspection and monitoring technology; and tighten discipline in performing customs inspection and control tasks.

The customs sector will foster information collection and analysis as a premise for improving post-clearance checks after the end of the Covid-19 pandemic to ensure the completion of the post-clearance check plan. Information collection and analysis

will focus on household appliances, artificial stones and solar cells, goods of Vietnam origin exported to the US and the EU; study and identify risks of transfer pricing.

It will review and analyze risks and signs of violation from companies which have not been imposed specialized inspection in 2020 by the General Department of Customs to adjust the specialized inspection plan; analyze data, identify items carrying high risks of fraudulence, origin counterfeiting and illegal transshipment, to launch probe measures according to Official Dispatch 5189/TCHQ-GSQL and Directive 7988/CT-TCHQ dated December 25, 2019.

The customs sector will continue reviewing and grasping overdue tax; classifying debt groups and tax debt; reviewing and collecting documents for cases eligible for debt freezing and write-off according to the National Assembly's Resolution 94/2019/QH14 dated November 26, 2019 on tax freezing, cancellation of overdue tax payment subject to people unable to pay tax under the Law on Tax Administration 38/2019/QH14, effective from July 1, 2020.

The sector will continue reviewing and checking names, codes and tariff rates of goods at the customs clearance stage and the post-customs clearance stage to detect and handle the wrong declaration of goods codes, falsified declaration of goods names or unclear declaration of goods names to be levied low tax rates or special preferential tax rates. Mr. Nguyen Van Can, General Director of the General Department of Customs, emphasized that, with the above synchronous measures, the customs sector will strive to achieve the highest budget revenue. ■

Exports Will 'Completely Lose' Market If Origin Is Defrauded



The watch list consists of exports at high risk of origin fraud and illegal transmission probes including hardwood plywood, foam cushions, wooden cabinets, artificial stone and so on

Last March, the American Coalition for Fair Trade of Hardwood Plywood sent a request to the United States Department of Commerce to initiate an anti-dumping and countervailing investigation on certain hardwood plywood made in Vietnam. If this is the case, Vietnamese companies will likely lose this market.

LE HIEN

The U.S. said that, after facing the antidumping duty of 183.36% and the countervailing duty of 22.98 -194.9% on hardwood plywood originated from China, Chinese companies transferred tax-levied parts to Vietnam for assembly and then export to the U.S. to circumvent the very high tariffs mentioned above.

As a result, the export value of hardwood plywood products in China dropped drastically from US\$800 million in 2018 to US\$300 million in 2019. Meanwhile, exports from Vietnam increased rapidly, from US\$63 million in 2017 to US\$187 million in 2018 and US\$309 million in 2019.

The U.S.'s antidumping investigation into Vietnamese plywood is causing a great impact on exports to this market. If the origin fraud is proven, Vietnam's plywood will surely lose the U.S. market due to very high anti-dumping duty imposed on China. More importantly, customers will lose confidence in Vietnamese products. At

the same time, this will affect products that use materials from plywood such as kitchen cabinets and bathroom cabinets.

Before the U.S., India and South Korea announced initiating antidumping investigations in late July 2020. Malaysia's Ministry of International Trade and Industry (MITI) also announced an antidumping probe into cold rolled stainless steel products originated from Vietnam and Indonesia in late July 2020. And MITI announced an administrative review of the 2016 antidumping duty imposed on cold rolled steel products originated from Vietnam.

Recently, the Trade Remedies Authority of Vietnam under the Ministry of Industry and Trade also released a watch list consisting of 13 exports at high risk of origin fraud and illegal transmission probes.

The list includes hardwood plywood, foam cushions, wooden cabinets, artificial stone, ceramic tile, copper pipes for vehicle tires, steel joint, steel wheel, pre-engineered steel, gas cylinder and packing pins.

But the story becomes more worrying as origin fraud risks may be found in other industries. The General Department of Customs delivered warnings about these increased risks when Vietnam joins new generation free trade agreements (FTAs).

Given this reality, the Ministry of Industry and Trade said that Vietnam needs a comprehensive, long-term strategy for developing production chains and increasing the added value of Vietnam's exports. Enterprises also play an important and decisive role to mitigate lawsuits on tax evasion and origin fraud. Vietnamese companies must not join or help origin fraud and illegal transmission. In reality, if these behaviors are found, importing countries will impose very heavy sanctions and companies will lose all related export markets as a result in many cases. ■

9,110 Smuggling, Trade Fraud Cases Seized in Jan-Sep

The Inspectorate of the Ministry of Finance and market watchdogs probed 436,112 tax declaration records and seized 9,110 smuggling and trade fraud cases in the first nine months of 2020 and proposed imposing fines of VND43,646.941 billion. Inspected units paid VND8,717.892 billion to the State Budget.

The fight against smuggling and trade fraud was stepped up in the reviewed period. In the third quarter of 2020, customs agencies worked with relevant bodies to unearth and capture a total of 3,338 cases of smuggling and illegal trade with violated value of VND915.216 billion. As much as VND204.884 billion was paid in the period. Customs agencies prosecuted 12 cases and transferred 27 cases to other relevant bodies.

In addition, the Ministry of Finance actively coordinated with concerned agencies and localities to implement solutions to stabilize market prices, especially essential commodities, such as food, goods for Covid-19 epidemic prevention and inputs for manufacturing, determined by the government. The ministry stepped up inspection of regulatory compliance with pricing laws. Gasoline and oil prices were closely monitored and adjusted in line with world price movements.

Le Hien

Disqualified Imported Scrap Must Be Exported from Checkpoint

The General Department of Vietnam Customs (GDC) recently instructed customs authorities of Hai Phong, Ho Chi Minh City, Ba Ria - Vung Tau, and Binh Dinh to deal with the re-export of existing scrap disqualified for import.

GDC required local customs authorities to notify shipping lines of only allowing re-export for backlogged scrap shipments after scrap is determined to be disqualified for import. The re-export must be carried out right at import entry gates and cannot be exported via ground traffic routes and inland waterways.

Disqualified imported scrap backlogged at seaports must be re-exported according to each bill of lading upon import (no splitting the shipment).

When shipping lines send requests in writing or work directly on scrap re-export, local customs authorities will require them to sign commitment memoranda on re-export of all disqualified scrap backlogged at seaports out of Vietnamese territory.

Le Hien

Closing Loopholes in Faking Vietnam Origin on Electric Vehicles




Most consumers find it hard to distinguish Vietnamese or imported electric vehicles

Featuring convenience and affordability, electric vehicles (EV) are becoming a preferred means of transport for many consumers. However, there is a dire need for strictly controlling the origin to ensure customer interests.

LE HIEN

In recent years, EV sales grew more than 30% a year. Customers can easily buy an EV model from e-commerce websites and shops in Ton Duc Thang and Ba Trieu streets (Hanoi). Most EV models are introduced as “assembled in Vietnam”, commonly sold at VND6-12 million each for electric bicycles and VND14-20 million for electric motorcycles. Many such brands as VinFast, Yadea and Pega are often more expensive, ranging from VND20 million to VND50 million. Small EVs are more preferred. And, most consumers find it hard to distinguish Vietnamese or imported goods.

According to authorities, over one million EVs are sold each year but only 290,000 units are manufactured and assembled in Vietnam, 

☞ while the rest are imported with unguaranteed quality.

According to an electric bike manufacturer in Vietnam, up to 90% of electric bicycles and components on the market have unclear origin. All kinds of EV components were smuggled into Vietnam. EVs lack certified stamps and certificates of origin. Most of them are of low quality, lacking quality-guaranteed components.

Furthermore, in rural areas, cheap EVs, priced around VND10 million each, are preferred. This segment has most products of unclear origin and unguaranteed quality. In fact, millions of EVs sold each year are not registered, thus increasing incomes for manufacturers and distributors. Besides, the EV market is overwhelmed by contraband and counterfeit products.

In addition, according to current regulations, electric bikes are not necessarily registered for circulation (license plates) like electric motorcycles. Thus, owners do not have to care about stamps and invoice value or other documents about EVs. As a result, a lot of knock-offs are present on the market but market watchdogs cannot deal with them because related regulations are absent.

Mr. Nguyen Tien Loc, Director of Post-Customs Clearance Inspection Bureau under the General Department of Customs, said, customs authorities specified behaviors, tricks and schemes of violators. For example, as for electric bikes, companies import separate

components for assembly in Vietnam to make complete products. Imported components are not made in Vietnam or just simply processed (like painting frames and handlebars) and should not be certified Vietnam origin. According to inspection results, most checked EV vehicle manufacturers are found to have origins defrauded.

To combat the counterfeiting of Vietnam origin of exported goods, the General Department of Customs requested the Ministry of Industry and Trade to provide information on enterprises and commodities suspected of defrauded origin and labeling and illegal information. The General Department regularly directed and warned C/O issuers of enhancing inspection and supervision of C/O granting, reminding them to pay heed to items with high risk of origin fraud (such as solar cell, car tire, pistachios, shrimp, aluminum, steel, plywood, ceramic tile and electric bicycle.) It also asked for completing legal documents on origin and labeling of exports; reviewing, amending and supplementing simple processing stages specified in Article 9 of Decree 31/2018/ND-CP to match current developments. C/O authorities need to assess risks, assign inspectors to examine suspected production facilities before granting C/O. It trained and guided origin and traceability of commodities for enterprises and recommended them to provide information for authorities when they see any abnormal signs to avoid being affected by bad deeds. ■

Switzerland, Vietnam Launch Joint Research Program

The Swiss National Science Foundation (SNSF) and the Vietnamese National Foundation for Science and Technology Development (NAFOSTED) recently agreed to strengthen cooperation.

Accordingly, the two foundations announced a new bilateral grant program to help Swiss and Vietnamese scientists carry out joint research projects (JRPs), starting in 2021. JRP grants are aimed at promoting specific collaborative projects joined by at least one Switzerland-based partner and Vietnam-based partner. Project leaders are encouraged to submit groundbreaking research and suggest innovative approaches. The deadline for application is January 15, 2021, the deadline for initiative registration is November 23, 2020. Initiative registration is optional but SNSF and NAFOSTED encourage project leaders to complete this step for a smooth application reviewing process. Projects will last two to three years. Up to 10 projects will be sponsored. Previously, SNSF and NAFOSTED worked together on some short-term projects.

Nguyen Mai

ADB, Phu Yen JSC Sign Green Loan for 257-MW Solar Power Project

The Asian Development Bank (ADB) and Phu Yen TTP Joint Stock Company (Phu Yen JSC) signed a US\$186 million loan to develop and operate a 257-MW solar power plant in Hoa Hoi commune, Phu Hoa district, Phu Yen province. This is the first certified green loan in Vietnam.

Phu Yen JSC is owned by B.Grimm Power Public Company Limited and Truong Thanh Vietnam Group Joint Stock Company (TTVN).

The financing comprises a US\$27.9 million loan funded by ADB, a US\$148.8 million syndicated loan (B loan) funded by commercial banks with ADB as lender of record, and a US\$9.3 million loan from Leading Asia's Private Infrastructure Fund (LEAP). The syndicated loan is the first green B loan in Asia and the Pacific to be certified by the Climate Bonds Initiative, and one of the largest such loans yet mobilized in Vietnam.

L.A

HDBANK

Top 50 Listed Companies in 2020



HDBank ranks among Vietnam's top 50 listed companies in 2020 for its high growth rate, good asset quality and high operational efficiency

According to Forbes, HDBANK has a solid foundation, impressive performance and good strength. The Forbes list also included other big Vietnamese names like Vietcombank and Vinamilk.

They had to pass three rigorous screening rounds to have their names in the list of best listed companies with good business results, capitalization value and revenue of over VND500 billion (US\$21.5 million). In addition, they were also rated on the basis of compounded annual growth, profit, return on equity (ROE), return on assets (ROA), and criteria for measuring the quality of operations.

For the banking industry, the organizers applied a set of additional indicators, including net interest margin (NIM), rate of provision (RCC), non-performing loan (NPL) ratio and earnings per share (EPS) for five years between 2015 and 2019. Passing these rounds, candidate companies were assessed by Forbes for business sustainability, including criteria for branding, quality of corporate governance, historical source of profit and prospects of sustainable development.

In this list, HDBank got the highest scores in all the above criteria, and was one of the leading banks by value added for shareholders. In three years since its initial public offering (IPO), its return on equity

HDBank was ranked among the top 50 listed companies in Vietnam in 2020 by Forbes on October 15.

increased sharply from 15.8% at the end of 2017 to 21.6% at the end of 2019. Its CAGR from 2015 to 2019 reached 55%, from VND633 to VND3,675 per share, standing among top performers in the financial and banking industry. Each year, HDBank continuously sets its own new records of pretax profit while maintaining outstanding asset quality.

In addition, HDBank has a history of paying high and steady dividends in cash and stocks. The 2020 Annual General Meeting of Shareholders approved a plan

to distribute up to 65% of profit, with 50% payment in stock dividend and a 15% bonus stock issue. This is the highest yield in the banking industry this year. HDBank made the first dividend payment, 30%, as planned in early October. After the dividend payment, investors expect HDB shares to continue to gain.

In addition to this noble title, HDBank also received many awards from prestigious domestic and foreign organizations such as for the Best Domestic Retail Bank in 2020 from Asian Banking & Finance and the "Best Company to Work for in Asia" named by HR Asia Magazine for three consecutive years, the first Vietnamese company to have this status. Credit rating agency Moody's has retained the B1 long-term credit rating for HDBank, even as many businesses had their ratings downgraded due to the impacts of the Covid-19 pandemic. Most recently, HDBank was honored as one of the outstanding businesses of Vietnam - ASEAN in 2020. ■

LP

The working session between Sao Mai Group and Dak Nong provincial authorities

Sao Mai Group Steps up Renewable Energy Development in Dak Nong Province

“Costing VND12 trillion (US\$521 million), Sao Mai - Dak Nong solar power plant has an installed capacity of 875 MWp. Covering 754 ha, the project is located in Cu Jut district, bordering Dak Lak province, about 20 km from Buon Ma Thuot City. This position gives an advantage of ground traffic for the project, which will be an important driving force for urbanization development in the vicinity of Buon Ma Thuot City, one of eight provincially governed tier-one cities of Vietnam,” Mr. Le Thanh Thuan, General Director of Sao Mai Group, the strategic renewable energy investor in Dak Nong province, affirmed to Chairman of the Provincial People’s Council Le Dien and local authorities on September 30.

HA VI

In early 2004, Dak Nong province was split from former Dak Lak province under Resolution 22/2003/QH11 dated November 26, 2003, of the National Assembly. Many famous landmarks are known to visitors far and wide, for example Ea Sno Lake, Chu Bluk Volcanic Cave - the longest of its kind in Southeast Asia, Ta Dung National Park - likened to the “Ha Long Bay of the Central Highlands.” In addition to tourism, Dak Nong has other advantages: Mining industry and high-tech agriculture spurred by the agricultural processing industry. Lying on basalt earth, Dak Nong has up to 2,600 hours of sunlight a year. Average solar radiation is 150 kcal per square meter, accounting for about 2,000-5000 hours a year. This is one of advantages to boost solar power development.

To attract investors, Dak Nong province has supported building a modern government by accelerating administrative reform, enhancing information technology application, improving environmental investment, setting up an administrative center to provide key administrative procedures for businesses.

Among investors seeking investment opportunities, Sao Mai Group appeared to be a heavyweight “candidate” when it realized that Dak Nong had a good investment climate and local officials were friendly and responsible at work. These positive signals created confidence for Sao Mai Group to invest a lot of money in this potential land to generate solar power and grow rubber for export.

In just three years, Sao Mai Group has become known as a very new

phenomenon in the renewable energy industry for its deployment of many large projects in Dong Thap, An Giang and Long An provinces, costing over VND10 trillion. Not only running solar farms, Sao Mai Group has also made solar farms extremely unique and attractive outdoor exploration and picnicking sites. This very difference is a clear demonstration of ASM’s tourism development strategy: Not confined in backward thinking but tap local surface potential.

Going public in 1997, Sao Mai Group has become a very professional and successful real estate business. From this first field, the group has gradually expanded into many new industries. Currently, Sao Mai Group is known as a leading investor of renewable energy, among the five largest seafood processors and exporters, a strategic ecotourism investor in Vietnam, and a reputable manpower exporter to the global market, especially to Japan. Sao Mai Group currently has more than 10,000 employees working in 16 member companies. The group pays a handsome amount of tax to the State Budget each year.

Appreciating its capacity and goodwill, the leaders of Dak Nong province expect Sao Mai Group would bring new vitality to the locality and improve the life of highlander communities. Sao Mai Group is expected to become a renewable energy developer that uses solar farms as popular tourist destinations and pledges to turn Gia Nghia into a bustling city, a valuable contribution for Dak Nong province to fulfil its socioeconomic development target set by the Party Congress of Dak Nong province (2020-2025 term).■

VSS Resolute to Be Lean, Modern and Professional Agency

The Vietnam Social Security (VSS) recently held the 10th VSS Patriotic Emulation Congress in Hanoi. On this solemn occasion, Secretary of the VSS Party Committee, VSS General Director Nguyen The Manh launched the patriotic emulation movement themed “Solidarity, creativity and determination to build a lean, modern and professional Vietnamese social security industry” for public and insured satisfaction and successfully complete tasks in the 2021-2025 period.

In the 2016 - 2020 period, the Party and the Government closely cared for and directed the renovation and promulgation of new regulations on emulation and commendation. As the new Law on Social Insurance, the amended Law on Health Insurance were enacted and the Central Executive Committee issued Resolution 28-NQ/TW on reform of social security policy, the Party Personnel and Affairs Committee and VSS leaders clearly recognized the importance of emulation and commendation to have appropriate support and guidance to concerned Party bodies, authorities, civil society agencies and units in the social security industry to strengthen management and reform emulation and commendation; launch annual emulation and commendation campaigns and thematic emulation and commendation movements and conduct preliminary and final reviews of emulation and commendation to evaluate results, praise and reward outstanding collectives and individuals.

During this period, based on regulations and policies on emulation and commendation, VSS issued nearly 200 documents guiding emulation and commendation renovations (20 documents in 2016; 55 in 2017; 48 in 2018; 25 in 2019; and 25 in the first six months of 2020). VSS's emulation and commendation documents are regularly updated, promptly amended and supplemented to strictly comply with new State regulations and in accordance with the sector's requirements to facilitate its subordinate units to effectively apply emulation and commendation work.

In particular, emulation movements of the social security sector are renovated in content and form; and implemented methodically and scientifically with specific and practical criteria and contents, and stick to assigned tasks. They actually become the driving force for collectives and individuals to strive to successfully complete their assigned tasks.

Accordingly, in the 2016 - 2020 period, VSS responded, devised and organized four major emulation movements launched by the Prime Minister, including "The whole country works together for new rural development", "The whole country works together for the poor to leave no one behind", "Vietnamese enterprises integrate and develop" and "VSS staff vie to build workplace culture". VSS directed its units to build action plans to carry out emulation goals together with fulfilling political tasks.

As a result, all VSS subordinates and local social security agencies worked out plans and completely informed emulation movements to all VSS employees for their right perception and appropriate effort to realize their assigned tasks.

In addition to responding to and organizing four emulation



movements launched by the Prime Minister, VSS continued to speed up emulation movements to execute Resolution 21-NQ/TW and launched two phased emulation movements, five annual emulation movements and 10 theme-based emulation movements in line with annual political tasks and urgent tasks needed to be completed.

VSS defined that informal sectors are potential development strategies in 2020. The sector's emulation movements really leveraged productivity, quality and performance of social security agencies from the central level to provincial and district levels; helped motivate collectives and individuals across the sector to successfully complete annual tasks.

Specifically, VSS achieved these targets: Policyholders of social insurance, health insurance and unemployment insurance increased in excess of the figure assigned by the Prime Minister every year. The number of policyholders of social insurance, health insurance and unemployment insurance reached 70.2 million in 2015 and 86.5 million in 2019.

As of August 31, 2020, policyholders of social insurance, health insurance and unemployment insurance totaled 86.4 million (fulfilling 98.14% of the plan). The number of policyholders of voluntary social insurance increased sharply to 786,173 people by August 2020.

Specially, new policyholders in 2019 were twice the number in the previous 11 years in combination. Nearly 90% of the population are health insurance policyholders, exceeding the coverage target set by the Government.

The payment and settlement of insurance policies and benefits are carried out promptly and lawfully. Benefits of policyholders are increasingly enhanced.

Noting the results of VSS's emulation movements in the past 5 years, many VSS collectives and individuals were commended and rewarded by the Party, the Government and the Prime Minister. At the Congress, on behalf of the State President, Vice President Dang Thi Ngoc Thinh awarded the Labor Order to 11 collectives and six individuals with excellent working performance and achievements in 2015-2020. Authorized by the Prime Minister, Minister of Finance and Chairman of the VSS Management Council Dinh Tien Dung awarded the Emulation Flags of the Government to eight collectives. Senior Lieutenant General Nguyen Van Thanh, Deputy Minister of Public Security, presented the Certificates of Merit of the Prime Minister to seven collectives. Secretary of the Party Committee of Central Agencies Son Minh Thang and VSS General Director Nguyen The Manh handed over the Prime Minister's Certificates of Merit to 14 individuals with outstanding performance.

Also on this occasion, VSS General Director Nguyen The Manh launched a patriotic emulation movement for the social security sector in 2020-2025 and agreed to send delegates to the upcoming National Patriotic Emulation Congress. ■

Harmonizing Interests among Stakeholders in PPP Projects

The performance of public-private partnership (PPP) investment projects should be based on the principle of harmonizing interests of the government and investors, and balancing affordability for the people and lendability for banks.

HUONG GIANG

Balancing interests

The goal of the PPP Law is to engage individual and institutional investment resources for the country's socioeconomic infrastructure in general and for localities and sectors while the State budget is not enough.

According to experts, if a project has better benefits for the government, private investors will shrug it off. On the contrary, if it is only for the sake of investors' interests and no State interests are taken into consideration, it cannot guarantee its objectives and effectiveness. Therefore, a PPP project must ensure the following factors: Ensuring no loss and no abuse, ensuring governmental interests; ensuring competitiveness, safety and attractiveness to entice investors; easily accessing good international practices.

Mr. Aguin Toru, Chief Representative of the Japan Bank for International Cooperation in Hanoi (JBIC), said, based on experience from Japan, PPP needs to take into consideration interests and expectations of four parties. To sustain long-term PPP cooperation, it is necessary to ensure sustainability and affordability for users, the creditworthiness of investors, the stability of the Government and the public sector, and the lendability of banks/credit institutions.

Mr. Tran Van The, Vice Chairman of Deo Ca Group, said, his Deo Ca Group is investing in national key projects but there is no risk sharing mechanism in the investment license because the PPP Law and related regulations were not in place at the time of commencing the projects.

Referring to regulations in the Law on Investment on policy changes that benefit investors, Mr. The proposed applying a revenue sharing mechanism.

Dr. Tran Chung, Chairman of the Vietnam Association of Road Traffic Investors (VARSI), agreed that many investors are wondering about the transition to the PPP Law. In Article 82 of the PPP Law, the revenue increase and decrease sharing mechanism is only applied to projects that include this content in the investment decision. "So, for ongoing projects, even five North - South expressways which are being carried out with the PPP mechanism, is the revenue risk sharing applied?"

Risk sharing mechanism

According to the Ministry of Planning and Investment of Vietnam, the risk sharing mechanism in revenue increase or decrease in PPP projects is a breakthrough mechanism of the PPP Law. Many agreed with revenue risk sharing rather than by loss/profit sharing. This matter was carefully studied in line with international practices and corporate financial viability.

Specifically, if the investor has its revenue dropping to 75%, the government must share the risk and it must revise the contract before applying this risk sharing like collection term and collection rate. When this mechanism is activated, the risk is shared 50-50 by the government and investors. Thus, the revenue reaches 76% or more, investors must be self-responsible. If the revenue increases to above 125%, for any reason, the excess will be shared 50-50 by the government and the private sector.

According to experts, in risk sharing in PPP projects, risks of site clearance, policy changes and planning changes will be allocated to the government, while the private investors are exposed to construction risks (quality, progress and capital). Matters concerning capital arrangement will be borne by the investors although this clause depends on the government's support/guarantee and agreements between the government and the investors.

Some other risks shared by the government and the investors are traffic flow/revenue, foreign currency purchase, exchange rate and force majeure reasons. If risks are higher, profit and cost will be higher as a result.

As a PPP project is not purely public-invested, its contract execution should be performed by a competent authorized governmental agency and a company subject to transparency of audit, contractor selection, service quality and project value transferred to the governmental agency in charge. The private investor can hire an independent auditor to audit its business activities. ■



Vinh Phuc Opens 17th Provincial Party Congress



Politburo member Vuong Dinh Hue presents flowers to the Vinh Phuc's 17th Provincial Party Congress

The Vinh Phuc Provincial Party Committee recently held the 17th Provincial Party Congress (2020 - 2025 term) with the theme of “Building a clean and strong Party and political system, strengthening solidarity, promoting democracy, tightening discipline, boosting innovation and developing comprehensively, rapidly and sustainably, building Vinh Phuc province into a modern, prosperous, powerful and civilized city” at the Vinh Phuc Convention Center.

NGUYET THAM

Delivering the opening speech to the congress, Secretary of the Vinh Phuc Provincial Party Committee Hoang Thi Thuy Lan emphasized that, in the past term, upholding high unity and solidarity, promoting democracy and inheriting achievements and experiences of the previous term, the Provincial Party Committee closely followed the leadership and direction of the central government and creatively adapted to local practical conditions. Therefore, many targets and criteria in the Resolution of the 16th Provincial Party Congress were fulfilled, even topping the country like GDP growth of 7.1%, high labor productivity growth of 8.5%, the country's second largest domestic State budget revenue - second only to Hanoi, and nearly 50% of budget revenue transferred to the central State Budget. In particular, industry continued to be an important driving force, not only for the province but for the whole country (Vinh Phuc contributes nearly 4.5% of the country's industrial output value).

Besides, the province achieved progress in social culture, social

security, and the cultural and spiritual life of the people.

She suggested that each delegate at the congress raise their sense of responsibility to the Party Committee and the people in the province and discuss contents and agendas for the success of the congress.

Representing the Politburo at the congress, Politburo member Vuong Dinh Hue congratulated and praised what the Party Committee, the government, the army and the people of Vinh Phuc province achieved in the last term and suggested that the Vinh Phuc Provincial Party Committee effectively build and rectify the Party under the spirit of the Central Party Resolution 4 of the 11th and 12th terms, the Directive 05 of the Politburo and regulations on exemplary conduct in order to make a clear change in preventing the deterioration of political ideology, morality and lifestyle of some Party members. It will necessarily improve leadership and combating capacity of Party Committees and Party cells; drastically change the mindset, content and ways of leadership and direction of all levels of Party; strengthen discipline; maintain and promote solidarity and unity in the Party and political system. It must effectively carry out all stages related to Party personnel; strengthen internal political protection, and take care of building Party personnel at all levels, with leaders of the Party and the government acting with exemplary dignity. The Provincial Party Committee must intensify inspection to keep corruption and waste at bay.

On economic development, Vinh Phuc needs to coordinate with central and local agencies in the Hanoi region to engage and utilize all available investment resources for key interregional projects, particularly traffic infrastructure; speed up growth innovation and economic restructuring, carry out three strategic breakthroughs, and build a modern, prosperous and powerful Vinh Phuc province. ■

Vinh Phuc Further Improves Investment Climate, Welcomes New Investment Wave



Vinh Phuc's leader signs MoUs with Amcham, Eurocham and AHK to facilitate enterprises to invest in the province

Vinh Phuc province has carried out many consistent measures to build an open and transparent business investment environment. Particularly, administrative reform and business support are considered first priorities. In the new period, the province will continue to accelerate administrative reform to pave the way for the new investment wave. Our reporter has an interview with Mr. **Nguyen Van Tri**, Chairman of Vinh Phuc Provincial People's Committee, on this issue. **Hoang Tham** reports.

Could you please briefly introduce outstanding administrative reform results of the province over the past time?

With efforts of relevant bodies at all levels, the administrative reform of Vinh Phuc province has produced positive results: Business establishment procedures and investment procedures are streamlined to reduce the time of granting business registration certificates. Vinh Phuc province encourages and promotes online business establishment procedures. By the end of August 2020, 43% of companies carried out online business registration procedures. In addition, in 2019, the Provincial People's Committee issued Decision 42/2019/QĐ-UBND dated September 25, 2019 on carrying out investment projects under the Law on

Investment in Vinh Phuc province. This is one of the province's efforts to have open and transparent administrative procedures for investors to reduce their time, administrative costs and informal costs when conducting business and investment procedures in the province.

In addition, land administrative procedures (including land acquisition, land allocation, land-use purpose changing, land-use right certification, land-attached asset ownership) have been promptly revised, supplemented and issued in accordance with the Land Law and existing regulations in an open and transparent manner, enabling businesses and people to easily access

and implement them. The time to implement some administrative procedures has been shortened. Administrative procedures have been integrated to provide best conditions for businesses to invest in the province. Vinh Phuc has reduced by 11-52% of the time to resolve 20 out of 34 land-related procedures at the provincial level.

Carrying out the Government's direction on immediate measures to rectify administrative discipline at the service of people and enterprises, local agencies have amended and abolished internal regulations on administrative processes and procedures that are no longer appropriate; established an internal inspection and supervision mechanism for administrative agencies; publicized hotline phone numbers of competent authorities and persons responsible for solving complaints and denunciations regarding administrative proceedings. Then, the province can raise the awareness of public employees in performing administrative procedures for people, businesses and investors.

How has the provincial leadership directed the improvement of the investment climate, especially business support policies and measures?

In the past time, the Provincial Party Committee, the Provincial People's Council and the Provincial People's Committee have issued many policies on business support and development, including Resolution 01-NQ/TU dated September 1, 2016 on basic solutions for a better investment environment and stronger competitiveness in 2016-2021; Resolution 02-NQ/TU dated September 1, 2016 on incentivized investment in high-quality service projects in given regions in 2016-2021; Resolution 57/2016/NQ-HĐND dated December 12, 2016 on specific measures on investment attraction and business support in the province.



Binh Xuyen Industrial Park is the first choice by many domestic and foreign enterprises

In response to the Government's Resolution 35/NQ-CP dated May 16, 2016 on business support and development to 2020; Resolution 02/NQ-CP dated January 1, 2020 on key tasks and solutions for better business environment and stronger national competitiveness; and the written commitment on formation of a favorable business environment for businesses between Vinh Phuc province and the Vietnam Chamber of Commerce and Industry (VCCI), from October 2016 to date, every Friday afternoon, leaders of the Provincial People's Committee and relevant agencies of the province host regular business meetings. The weekly business meeting program is practical and effective for investors, enterprises and entrepreneurs. At the same time, this event creates a friendlier and closer relationship between the provincial government and businesses and investors in the province. Besides, Vinh Phuc province has persuaded existing investors to recommend others to invest in the province.

To accommodate the new investment wave, what breakthrough solutions will Vinh Phuc province take?

Given volatile economic development and Covid-19 epidemic outbreak, we need certain preparations to catch fresh investment flows from giant firms. We need to create an open, attractive and competitive business environment for investors. To do this, we will extend solutions to promote our existing advantages like favorable geographical location and natural conditions (near Noi Bai International Airport, Hanoi downtown), a developed road, railway and waterway transportation system, an abundant labor force, and a young population structure. The government and people are always active, creative and ready to give highest support to investors; administrative procedures are open and transparent and the settlement time is faster than the regulatory framework. The socioeconomic infrastructure has been synchronously invested and modernized. Being a center for automobile and motorbike manufacturing, the province is a good place for parts suppliers. Given its strong magnetism to investors, Vinh Phuc province will implement the following solutions in the coming time:

Support for troubleshooting in business:

Thoroughly solving proposals and problems confronted by businesses in such fields as loan support, debt restructuring, exemption and reduction of loan interest and bank fees, salary, overtime work, and

foreigner employment; price reduction and payment rescheduling for electricity, water, internet and telecommunications service charges; export and import support and customs clearance. In the coming period, Vinh Phuc will drastically foster more business support measures, especially for those affected by the Covid-19 epidemic in areas such as power supply, infrastructure, clearance assistance, customs procedures, electronic tax, security and orders. It will regularly survey and grasp situations and difficulties of businesses. It will organize surveys on business satisfaction with State agencies at all levels in the province and run telephone hotlines and the business meeting program.

Regarding administrative procedure reform:

Vinh Phuc defined that administrative reform is one of most important factors to improve the business investment environment, especially business registration procedures; implement administrative reforms in the single-window mechanism from provincial and district/local levels, and increase administrative procedures of Level 4. This is one of efforts to make administrative procedures public and transparent to assist investors to reduce time, administrative costs and informal charges for better business and investment performance in the province.

Strengthening State management of industrial zones

Vinh Phuc will have investment incentive policies, engaging all domestic and foreign economic sectors, targeting financially viable experienced investors with technological potential. The province will complete restoring and upgrading provincial roads, water supply and drainage systems, technical infrastructure, and social infrastructure. Industrial zones will provide a clean land fund with relatively synchronous infrastructure and meet basic requirements to serve investors' needs.

Vocational training system restructuring

Determining investment attraction is linked to human resource development to ensure sufficient manpower supply, both domestic and external strategy, for advanced development of enterprises, Vinh Phuc will conduct planning, training and human resources development, especially highly qualified human resources that meet investment targets.

With the resolution of the entire political system for a better investment environment, Vinh Phuc province is expected to become a reliable investment destination for all domestic and foreign investors and create a premise to attract investors and boost new-phase development.

Thank you very much!

Many Initiatives and Solutions in Public Administration Reform



Launch ceremony of the provincial Center for Public Administration

After 10 years of carrying out the Public Administration Reform (PAR) Master Program, Vinh Phuc province's PAR has positively progressed in all fields. The province has applied the document and administrative management software at 176 local administrative agencies, including 40 provincial departments and district-level people's committees, which are sending and receiving documents through the Local Government Service Platform (LGSP) of the province or the central government. The province has granted over 1,355 specialized digital certificates. The rate of digitally signed documents has reached over 95%. Vinh Phuc's public service portal has integrated 378 online public services.

H.LANG

The awareness of public employees of PAR has been raised much higher than before. Their spirit, attitude and sense of responsibility at work has been enhanced. Material foundations and equipment have been invested methodically and synchronously.

Administrative procedures are simplified, publicized and completed to help organizations and citizens to spend less time to work with administrative agencies, thus helping improve the relationship between the government with people and businesses.

Therefore, all PAR targets all fulfilled and exceeded targets

stated in Resolution 30c/NQ-CP of the Government and Resolution 60/NQ-HDND of the Provincial People's Council. All indicators of the province are always ranked high among provinces and cities, including Provincial Competitiveness Index (PCI), the Vietnam Provincial Governance and Public Administration Performance Index (PAPI), the Public Administration Reform Index (PAR Index) and the Satisfaction Index of Public Administrative Services (SIPAS).

In particular, Vinh Phuc has adopted many initiatives and solutions to reform administrative procedures like applying Zalo application for people and organizations to look up and notify status and result of administrative procedure settlement; coordinating with the Vinh Phuc Post Office to interconnect the "public administrative single-window software" and "EMS express delivery software" for reception and registration of document transfer services at the Vinh Phuc Public Administrative Service Center; transfer of the emulation and commendation funds to awarded collectives and individuals into their bank accounts, reducing the time for settling emulation administrative procedures from 25 days to 12 days, 13 days fewer than the time limit set by central authorities.

Every year, Vinh Phuc province conducts surveys on public satisfaction of public services. These surveys show that public satisfaction of public services is over 80%. In 2017, the SIPAS Index was 95.75%, ranking first among 63 provinces and cities. It was 88.2% in 2018, ranking No. 13 and 83.37%, ranking No. 11 in 2019.

The province applies shared application software (horizontally and vertically across the province, districts and communes) at single-window divisions at all levels. In addition, from 2015 to present, the province's PAR Index Appraisal Council has appraised and recognized 157 outstanding initiatives filed by agencies, units and localities.

Mr. Nguyen Van Tri, Chairman of the Provincial People's Committee, said, Vinh Phuc province has focused on institutional reform such as building and improving legal documents to enhance the performance of State agencies; further promoted law propagation, dissemination and education; regularly supervised, inspected and reviewed legal normative documents and other documents to match practice and law.

The province has well controlled administrative procedures, publicized administrative procedures, fees, charges, time and status of administrative procedures; improved quality and efficiency of inter-agency single-window mechanism; effectively applied single-window software at public administration divisions at provincial, district and commune levels; and fostered the application of online public services of Level 3 and Level 4.

In particular, the province has continued to study and arrange agencies and units in accordance with the Government's regulations and the guidance of central authorities; and continued to review and streamline the performance of public non-business units. Each agency, unit, locality, branch and sector must ensure that, by 2021, public non-business units will be reduced by at least 10% as compared to 2015, and at least 10% more by 2025 as compared to 2021. Underperforming units will be removed. The operation of non-business economic, service, education and health units will be converted.

To modernize the administration, Vinh Phuc province has clearly determined to complete the electronic information portal system of administrative agencies and localities; effectively apply ISO quality management standards to administrative work; build a public employee data information system; increase investment in facilities, equipment and information technology, and effectively apply updated software for single-window divisions at all levels. ■

Reliable Destination for Investors



By strengthening investment promotion activities at home and abroad; stepping up administrative procedure reform and supporting business development, Vinh Phuc has now become a reliable destination for domestic and foreign businesses.

NGOC QUYNH

After studying the investment environment in Vinh Phuc, Futaba Sangyo Vietnam Co., Ltd decided to choose Thang Long Vinh Phuc Industrial Park as the destination to implement their project. With 100% capital from Japan, on average, each year, the company produces about 500,000 car seat covers that are exported to Japan. Assessing the investment climate in Vinh Phuc province, Mr. Uchikoshi Masanori, General Director of the company, said: "I am very proud working here in Vinh Phuc province. The province has a good traffic system and is conveniently located, adjacent to Noi Bai international airport and the northern industrial development belt. It is very favorable for implementation of investment, production and business projects. Good temperate climate and geological structure is also a plus. In my opinion, Vietnam is a politically stable country and Vinh Phuc converges the conditions that we need. For example, provincial leaders of all levels always support businesses and promptly remove difficulties and obstacles throughout the operation process. Therefore, we have chosen Vinh Phuc to start a business."

As one of the enterprises making a positive contribution to the socio-economic development of Vinh Phuc province, Interflex Vina Co., Ltd (Ba Thien Industrial Park) was honored at the 5th National Emulation Congress of the province for its outstanding achievements in the period 2015 - 2020. Mr. Ji Young Ju, Director of Administration - Human Resources of Interflex Vina Co., Ltd, said: "Vinh Phuc is an ideal destination for businesses investing in Vietnam. Besides a favorable trading location, the

province also has an open mechanism in attracting investment, building technical infrastructure, creating favorable conditions for businesses to expand production scale. When investing here, we also take advantage of abundant human resources and low cost of living. On the contrary, we have the responsibility to contribute to the provincial budget, help the province train high-quality human resources, create many jobs and contribute to ensuring local social security."

Established in 2008 with 100% Korean investment, specializing in manufacturing phone components, after more than 12 years in Vinh Phuc, Partron Vina Co., Ltd, a component supplier to Samsung Group, (Khai Quang Industrial Park) has repeatedly increased investment capital to expand production scale. Currently, Partron Vina has become a leading large-scale manufacturer in the province, significantly contributing to the formation and development of supporting industries in the province. Mr. Nguyen Quoc Tuan, Deputy Director of Sales Department of Partron Vina Co., Ltd, said: "The improved investment environment and the support of Vinh Phuc government have facilitated enterprises in the province, making major contributions to the State budget, creating tens of thousands of jobs."

In the context of the complicated global pandemic, causing many businesses to go bankrupt, stall or shrink their production and business, many investors still choose Vinh Phuc as a reliable and joint destination. That many investors continue their investment in expanding production scale has confirmed the correctness of the strategic vision set by the Party committees and authorities of Vinh Phuc province in the past term. ■

Vinh Phuc Attracts 21 Projects in Jan - Sep

Out of 21 new investment projects, there are six DDI projects with a total registered investment capital of VND717.36 billion (newly granted: VND695.7 billion, increased capital: VND21.66 billion), equaling 27 % in the total investment capital compared to the same period in 2019 and reaching 86% of the plan for 2020. There are 15 new FDI projects with a total registered capital of US\$229.61 million (newly granted: US\$40.74 million, increased capital: US\$188.86 million), equaling 37% of investment capital as compared to the same period in 2019 and reaching 70% of the plan by 2020.

Currently, the number of valid investment projects in Vinh Phuc industrial parks is 371, including 65 DDI projects with a total investment capital of VND15,193.9 billion and 306 FDI projects with a total investment capital of US\$4.27 billion. Projects are classified by each industrial park as follows:

Khai Quang Industrial Park has attracted 88 projects, including 12 DDI projects with a total investment of VND744.99 billion and 76 FDI projects with a total investment capital of US\$1,215.78 million; 84 projects have been put into production; the rate of industrial land occupancy reaches 94%.

Binh Xuyen Industrial Park has attracted 122 projects, including 37 DDI projects with total investment capital of VND3,783.28 billion and 85 FDI projects with total investment capital of US\$656.74 million; 99 projects have been put into production, the rate of industrial land occupancy is 75.2%.



In the first nine months of 2020, Vinh Phuc Industrial Parks Authority has licensed 21 projects, and allowed 36 projects to increase capital by US\$229.61 million (FDI projects) and VND717.36 billion (DDI projects).

THANH LOAN

Binh Xuyen 2 Industrial Park (phase 1) has attracted 58 FDI projects with a total investment capital of US\$304.54 million; 56 projects have been put into production, the occupancy rate of industrial land area reaches 100%.

Ba Thien Industrial Park (Area 75.9 ha) has attracted six DDI projects with total investment capital of VND2,676.35 billion and 27 FDI projects with total investment capital of US\$886.38 million; 26 projects have been put into production, the rate of industrial land occupancy is 74.4%.

Ba Thien 2 Industrial Park has attracted three DDI projects with total investment capital of VND1,299.12 billion and 48 FDI projects with total investment capital of US\$842.54 million; 41 projects have been put into production and business, the rate of industrial land occupancy reached 68.1%.

Thang Long Vinh Phuc Industrial Park has attracted 3 DDI projects with total investment capital of VND506.16 billion and 12 FDI projects with total investment capital of VND372.37 million; 8 projects have been put into production and business, the rate of industrial land occupancy reaches 74.6%.

Tam Duong II Industrial Park - Zone A has attracted 2 DDI projects with a total investment of VND4,224.8 billion.

Son Loi Industrial Park is in the period of building and completing infrastructure to have a land fund to attract investment in the coming time.

In the nine months, the disbursement of DDI projects reached VND319.4 billion, increasing the implemented capital of projects by the end of September 2020 to VND8,575.52 billion, reaching 56.4% of registered investment capital. The realized capital of FDI projects is US\$279.71 million, increasing the implemented capital of projects by the end of September 2020 to US\$2,561.5 million, reaching the rate of 60% of registered investment capital.

In the last months of 2020, Vinh Phuc Industrial Parks Authority will continue to promote investment activities targeting traditional markets such as Japan, Korea, China, Taiwan, and potential markets such as the U.S., EU and other countries participating in new FTAs, CPTPP, and AEC. In the remaining months of 2020, it is expected to attract 5-6 new FDI projects with registered capital of about US\$50-70 million, two new DDI projects with a total registered capital of about VND100-150 billion; about 7-10 projects will go into production and business operation; capital disbursement of FDI projects is about US\$90 million and DDI projects about VND60-100 billion. ■

Enhancing Investment Environment Is Key



Over 20 years after re-establishment, from an agriculture-based province, Vinh Phuc has managed to obtain many important comprehensive achievements in all fields, affirmed and elevated its status to other provinces and cities in the region and the country.

HOANG THAM

The province's annual economic growth rate is always high relative to other provinces in the region and the country, reaching over 8% a year in the 2016-2019 period. The size of the economy was VND119 trillion (US\$5.27 billion) in 2019, 60 times that of 1997, bringing per capita GRDP to VND103 million (US\$4,560), higher than the national average (US\$2,700). The share of industry and service accounted for 94.56% and the share of agriculture, forestry and fishery made up for 5.44% in 2019. In 2004, Vinh Phuc province was able to balance its budgetary revenue and expenditure and forward surplus to the central budget. In 2019, the province's budget revenue reached VND35 trillion, ranking 8th in the country and 4th in the northern key economic region.

These achievements resulted from correct and timely policies aimed to effectively exploit local potential advantages as well as internal and external resources for construction and development. The private business sector and the foreign-invested business sector significantly enabled local economic success. Therefore, the province's policies are aimed at creating the most favorable business environment for domestic and foreign investors to enhance their investment performance and contribute to local socioeconomic development.

In the past time, Vinh Phuc has introduced many important policies and

solutions, for example building and creating an enabling climate for businesses and investors. With the motto "All investors coming to Vinh Phuc are citizens of the province", the province defines businesses as a driving force for development. Therefore, the provincial government always provides the most favorable conditions for them to grow. All have equal access to resources, land, infrastructure, electricity supply, water supply, tax incentives, vocational training, labor recruitment, capital and information according to the spirit of the Government's Resolutions 19/NQ-CP in 2016, 2017 and 2018 and Resolutions 02/NQ-CP in 2019 and 2020. With its efforts, Vinh Phuc always ranks among good performers in the Provincial Competitiveness Index (PCI). This shows their good appreciation of the province's efforts for a better business investment environment.

From 2016 to the end of September 2020, the province attracted 459 new projects and licensed 257 projects to add capital base. Particularly, FDI investors registered to invest US\$2.87 billion (equal to 199.86% of the value in the 2011-2015 period) in 231 fresh FDI projects and 195 existing FDI projects. Domestic investors registered to invest VND58,141 billion (equal to 232.77% of the value in the 2011-2015 period) in 228 new projects and 62 existing projects. Investment results partly show the effectiveness of policies and solutions on improving the business investment environment of Vinh Phuc province. ■

Industry - Engine of Economic Growth



Since the province was re-established over 23 years ago, the industry of Vinh Phuc has kept growing to hold a pivotal position in the economy, boost economic growth every year, generate jobs and improve people's livelihoods.

NGUYET THAM

Based on the development viewpoint "Industrial development is the foundation, service - tourism development is the spearhead, and agriculture and rural development is an important task", Vinh Phuc province has stepped up regional and sector planning, launched and adjusted industrial development planning to 2020 and further to 2030, and industrial park development planning to 2020 and further to 2030. At the same time, the province has prepared land fund and infrastructure development, especially transport infrastructure in industrial zones, provided favorable and equal access to land resources, power grid, water supply infrastructure, communication network, tax incentives, capital, worker training and recruitment. Vinh Phuc has also accelerated administrative procedure reforms, creating an open, attractive and competitive investment and business environment to attract domestic and foreign investors.

In addition to investment incentives regulated by the central government, Vinh Phuc offers various local specific preferential policies for investors and businesses, including the corporate income tax of 10% in 15 years applied to

high-tech companies engaged in software, renewable energy, clean energy, waste-to-energy energy, composite material, rare and precious material; and a corporate income tax of 20% in 10 years for projects engaged in high-end steel manufacturing, agricultural machinery and equipment manufacturing. Depending on industries, projects and companies will be entitled to other tax holidays such as corporate income tax exemption for 2-4 years and a 50% tax reduction for 4-9 years, in addition to exemption and reduction of import tax and land rent in some cases.

Attracting selective investment projects and providing timely support policies helped Vinh Phuc exceed the target of corporate establishment. By the end of September 2020, the province had nearly 13,000 companies; 17 out of 32 planned industrial complexes, covering over 358ha, were formed; and eight out of 12 large-scale industrial parks were put into operation by infrastructure investors, including Kim Hoa, Khai Quang, Binh Xuyen, Ba Thien, Ba Thien 2, Binh Xuyen, Binh Xuyen 2 and Thang Long Vinh Phuc. The occupancy rate of industrial zones reached 63%, with Binh Xuyen, Kim Hoa and Binh Xuyen 2 fully leased, Khai Quang leasing 98% and Binh Xuyen leasing 85%. To actively assist the local business community to overcome difficulties, especially during the nine-month effort of carrying out the "dual task" of fighting against the Covid-19 epidemic and fostering business performance" in 2020, the province maintained stable growth and affirmed the driving force of industry in economic growth, and led the economy in the right trajectory. Expectedly, by the end of 2020, the share of industry and service will account for 86.5%, an increase of 3.7% over 2015, and the share of agriculture, forestry and fishery will make up for 6.8%, down 3.7% compared to that in 2015.

According to a report released by the Vinh Phuc Provincial People's Committee, in 2015-2020, the industrial and construction sector expanded 12.15% a year on average, nearly doubling the target set in the Resolution of the 16th Provincial Party Congress, always higher than the economic growth. This sector accounted for 65% of the province's overall growth. In particular, the processing and manufacturing sector always made up for a high share in the industrial structure and accounted for 4.5% of the added value of Vietnam's manufacturing and processing industry. Many key industrial products expanded well in the period, with electronic component manufacturing contributing nearly 48% to industrial output value. Supporting industries were robustly developed, especially to serve mechanical engineering, manufacturing and ICT, to raise the localization rate and bring the budget revenue to GRDP ratio to 30.38% in 2016-2020, higher than the target set out in the Resolution.

With the right approach, disruptive and innovative methods, the industrial sector of Vinh Phuc province is expected to play a key role in the landscape of socioeconomic development and make Vinh Phuc's economy a growth engine in the north and the country. ■

BINH XUYEN 2 INDUSTRIAL PARK

ATTRACTIVE DESTINATION

With its convenient location, synchronous and modern infrastructure, competitive land rental compared to some industrial parks, Binh Xuyen 2 Industrial Park (phase 1) in Binh Xuyen district, Vinh Phuc province, invested by Fuchuan Co., Ltd of Taiwan, has become an attractive destination and a top choice by many domestic and foreign enterprises.

QUYNH NGOC

In 2014, Fuchuan Co., Ltd. was approved by the Vinh Phuc Provincial People's Committee to invest nearly US\$150 million to build Binh Xuyen 2 Industrial Park in the first phase, covering over 42 ha of land of which over 31.6 ha is rentable industrial land. As soon as it launched the project, Fuchuan Co., Ltd. focused resources on building good technical infrastructure and delivering support services for tenants. After one year of construction, Fuchuan completed the synchronous infrastructure system, consisting of 110/35/22-kV power stations, a water supply system with a daily capacity of 20,000 cubic meters, a concreted and asphalted traffic road system for convenient transportation, a stormwater drain system and a separate wastewater and waste treatment station with a daily capacity of 1,800 cubic meters.

In addition to synchronous modern infrastructure, the working environment in Binh Xuyen 2 Industrial Park is built on green, clean, beauty and environment-friendly criteria. Trees are grown to cover the entire industrial park. The location is convenient for goods circulation and transshipment to many provinces, cities and key industrial zones inside and outside the province. The land

rental rate is attractive, from US\$50 - 55 per square meter for the entire project life and the industrial zone management fee is 40 US cents per square meter a year, the wastewater treatment fee is 50 cents per cubic meter and a prefabricated factory module system is rented for US\$5-7 per square meter a month. In addition, secondary investors will be provided with financial and banking support services, customs

procedures and transportation and will enjoy preferential mechanisms and policies and maximum support of Vinh Phuc province.

Fuchuan not only helps businesses quickly access premises and factories they need, but also supports them with closed services in the industrial park and reduces management and infrastructure fees aimed to give them a helping hand to overcome their tough times. Therefore, after six years of operation, Binh Xuyen 2 Industrial Park (Phase 1) has attracted 58 FDI projects with a total investment capital of US\$304.54 million, of which 56 have been put into operation. The occupancy rate already reaches 100%. The industrial park has contributed to job creation and socioeconomic development of Vinh Phuc province. Currently, the company is completing investment procedures to launch the VND1,000 billion Phoenix Town housing and public service project for workers in Ba Hien commune (Binh Xuyen). This project is expected to help solve urgent housing needs for workers in industrial zones in Binh Xuyen district, assure them to work harder and improve labor productivity, ensure occupational safety and health, and promote effective investment attraction.

By fulfilling its commitments and complying with regulations on construction investment and infrastructure development in industrial zones, on July 23, 2020, Fuchuan Co., Ltd got Decision 1839/QĐ-UBND on second phase expansion of Binh Xuyen 2 Industrial Park from the Vinh Phuc Provincial People's Committee. Accordingly, Binh Xuyen 2 Industrial Park (Phase 2) will be expanded by more than 63 ha, costing US\$18 million for construction. Currently, Fuchuan Co., Ltd. is completing investment project procedures and submitting them to the Prime Minister for approval. ■





INTERFLEX VINA CO., LTD

Leading Brand in Electronic Parts Industry

Interflex Vina Co., Ltd based in Ba Thien Industrial Park, Vinh Phuc, is a wholly South Korean-invested manufacturer of printed circuit boards (PCBs), surface-mount technology boards (SMT) and touch screens for smartphones. The company has soon created and built a firm position in the electronic components market thanks to its reputable and quality products. The success of the company has positively helped the socioeconomic development of Vinh Phuc province.

QUYNH NGOC

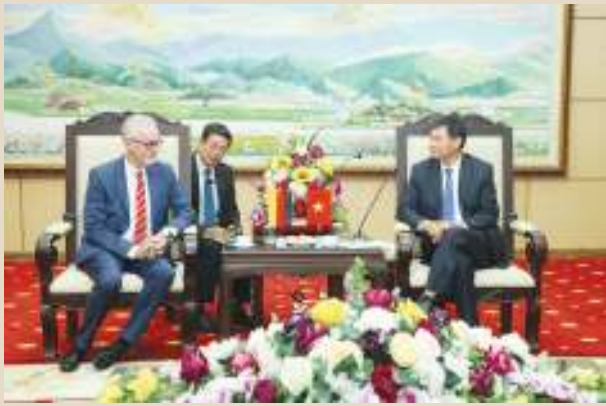
Although its establishment was quite late relative to other rivals, after just six years of operation, Interflex Vina Co., Ltd. has affirmed its position as one of the leading producers of electronic components. In the mobile phone manufacturing sector, electronic components are decisive to product quality. Electronic components accounted for up to 50% of the group's profit. Therefore, conducting market surveys and investing in component production helped Interflex Vina achieve certain successes.

To make quality products, in addition to modern production lines, production methods and employees of the company must work to given standards. From leaders to employees, before entering production areas, everyone dons personal protective equipment, hats, gloves and shoes to ensure occupational safety and health in production. During the manufacturing process, only a small dust particle sticking to a chip or a circuit board may cause a product failure and, according to contractual terms with major technology partners, with just one product failure, the whole shipment will be returned and the damage will be definitely substantial to the company. Moreover, for world-leading technology corporations, products provided must be 100% flawless. A product failure can destroy a reputation and cause its producer to lose market share, especially in the current context of fierce

competition in the electronic component manufacturing industry.

Made on modern technology lines, professional qualification requirements for employees are quite high. When recruited, many employees are completely untrained and have no expertise but, after many training courses organized by the company, they can perform their jobs proficiently. Currently, foremen mainly oversee working hours and assist new recruits. Speaking about the investment environment of Vinh Phuc province, Mr. Ji Young Ju, Director of Administration and Human Resources Department, Interflex Vina Co., Ltd, said, "Vinh Phuc is an ideal destination for foreign businesses investing in Vietnam. Not only being a favorable trading location, Vinh Phuc also has an open investment mechanism, a good technical infrastructure and favorable conditions for investors to expand their operations. In addition, when investing in Vinh Phuc, Interflex Vina has utilized abundant human resources and low cost of living. For its part, the company is also responsible for paying taxes to the local coffers and helping the province train high-quality human resources, provide many jobs, and strengthen local social security."

With its positive contributions to Vinh Phuc's socioeconomic development, Interflex Vina Co., Ltd is among well performing tenants in local industrial zones in 2015-2020 honored at the 5th Vinh Phuc Patriotic Emulation Congress. ■



German Embassy Pays Working Visit to Vinh Phuc Province

Mr. Tran Van Vinh, Chairman of the Provincial People's Council, Chairman of the Vinh Phuc Union of Friendship Organizations received the working delegation of the Embassy of Germany in Vietnam, led by Ambassador to Vietnam Guido Hildner.

Affirming that Vietnam-Germany cooperation has continuously developed deeply, effectively and substantially in all fields in the past 45 years, Mr. Tran Van Vinh believed that, with favorable premises and the care of the German ambassador for Vinh Phuc province, the two sides will open up new opportunities of friendly cooperation for German partners, organizations and enterprises seeking to strengthen solidarity and friendship of Vietnamese and German peoples.

He asked Ambassador Guido Hildner to support Vinh Phuc province by introducing its potential advantages as well as investment policies to German enterprises. He called German businesses to invest in Vinh Phuc province in automobile parts manufacturing, electrical and electronic engineering, chemical, automobile and equipment manufacturing that Germany is strong at.

Ambassador Guido Hildner affirmed that Germany - Vietnam friendship and solidarity is increasingly fostered and developed. He highly appreciated Vinh Phuc province's socioeconomic development and successful fight against Covid-19 epidemic in Vietnam in general and Vinh Phuc province in particular. He said that he will endeavor to make proposals of Vinh Phuc province become true in the near future.

Thanh Loan

Tenants in IPs Employ over 92,000 Workers

Vinh Phuc province-based industrial parks attracted 316 operational investment projects, including 272 FDI projects and 44 DDI projects, by the end of September 2020, according to the Vinh Phuc Industrial Parks Authority. Tenants provided jobs for over 92,000 workers, including over 72,000 locals, accounting for 78% of the workforce in the industrial parks.

Foreign direct investment (FDI) projects reported better business performance than last year, with 40 more projects that employed thousands of new workers.

Specifically, FDI firms reported revenue of US\$4,339.36 million in the first nine months of 2020, 2% higher than a year-ago period and

export value of US\$3,431.57 million, up 7%. Their payment to the State Budget reached VND2,112.6 billion (nearly US\$100 million), 4% more than a year earlier. Meanwhile, DDI companies obtained revenue of

VND8,156.88 billion from January to September 2020, down 1% year on year, and export value of VND36.37 billion, down 9%. Their tax payment to the State coffers grossed VND177.7 billion, equal to 64% of the value a year ago.

Their business indicators are expected to be good in the last three months of 2020. DDI projects are forecast to rake in revenue of VND2,898 billion and export value of VND21.6 billion and pay VND40.2 billion to State coffers. Meanwhile, FDI projects are estimated to generate revenue of US\$1,463 million and export value of US\$1,164 million and pay VND891 billion to the State Budget. Tenants in industrial parks are hoped to employ 1,000 more workers in the remaining months of the year.

Thanh Loan

Vinh Phuc IPs Attract 326 Projects in 2011-2020



With a better investment environment, improved investment attraction policies, focused infrastructure construction and professional services, industrial parks in Vinh Phuc province attracted 326 new investment projects in 2011-2020.

Of the sum, 286 FDI projects registered to invest a total of US\$1.903 billion, accounting for approximately 75% of all FDI projects in the province and 40 DDI projects that register to invest VND5,100 billion, accounting for about 10% of total DDI investment value in 2011-2020. The occupancy rate of industrial zones reached 63% on average.

This year, although the Covid-19 epidemic has weakened investment attraction, especially foreign investment flows, by actively supporting licensed projects, solving difficulties and searching for new investors, in the eight months of 2020, Vinh Phuc province-based industrial parks attracted 15 new FDI projects and two new DDI projects.

In the next phase, Vinh Phuc will strive to draw US\$4-5 billion of FDI fund and VND50,000-60,000 billion of FDI fund.

Nguyet Tham

Ba Thien 2 IP Attracts 51 Projects in Nine Months

With good technical infrastructure and professional support serviced, Ba Thien 2 Industrial Park attracted 51 projects by the end of September 2020, including 3 DDI projects with nearly VND1,300 billion of investment capital and 48 FDI projects with more than US\$840 million. The occupancy rate was over 68%.

Operational projects generated jobs for local people and increased budgetary revenue for the province.

Covering 308 ha, Ba Thien 2 Industrial Park is based in Thien Ke and Trung My communes and Ba Hien Town, Binh Xuyen district. To build a distinctive industrial zone that can satisfy strict requirements of investors from Japan, South Korea and Europe, since its project launch, Vina CPK Company Limited - the investor of Ba Thien 2 Industrial Park - has always focused on infrastructure quality.

Currently, Ba Thien 2 Industrial Park still has more than 100 ha of land uncleared for infrastructure construction for



lease. The investor hoped that Vinh Phuc province will accompany and support tenants and direct localities to complete ground clearance for Ba Thien 2 Industrial Park to attract more investors in the coming time.

Ngoc Quynh



Dong Soc Industrial Complex Welcomes Two Electronic Parts Factories

Young Poong Group (South Korea) recently held a groundbreaking ceremony to start construction of electronic component factories of YPE Vina Co., Ltd and Korea Circuit Co., Ltd, which cost US\$270 million in the

first phase in Dong Soc Industrial Complex.

Speaking at the groundbreaking ceremony, Chairman of Vinh Phuc Provincial People's Committee Nguyen Van Tri acknowledged and highly appreciated efforts of local authorities, particularly Vinh Tuong district, Vu Di and Van Xuan communes, Tu Trung town, and the consensus and support of people who gave up their land for the industrial complex. He also highly praised Vinh Phuc Investment and Trade Co., Ltd (infrastructure contractor) for timely completion and handover to Young Poong Group, the investor, in time. The leadership and the staff of YPE Vina Co., Ltd and Korea Circuit Co., Ltd - Young Poong Group are determined to complete mandatory procedures.

He pledged that the province will cooperate and facilitate Young Poong Group to carry out the project. It will assign relevant agencies, Vinh Tuong district and localities in connection with Dong Soc Industrial Complex to actively support Young Poong and tenants in Dong Soc Industrial Complex.

The project is scheduled to be put into operation from June 2022 and employ 5,000 workers.

Nguyet Tham

#PROUDLY MADE IN VIETNAM



CẢM HỨNG TỪ NHỮNG

THỜI CỰC

VĂN HOA

HÀ NỘI



OLD WALL YELLOW
TẬN CÙNG HOÀI CỐ

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.



DAI AN SAI GON JOINT STOCK COMPANY

Address : 143 Hoa Lan Str., Ward 2, Phu Nhuan District, HCMC, Vietnam

Tel : +84 28 3517 4686

Email : info@daiansai.gov.com

Director : Mr. Duong Dien Thuan

Fax : +84 28 3517 4681

Website : www.daiansai.gov.com

Mobile : +84 904 146 899