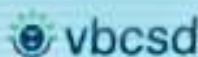


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Hướng tới thập kỷ phát triển bền vững tốt đẹp hơn: Không để ai bị bỏ lại phía sau

VIETNAM CORPORATE SUSTAINABILITY FORUM 2021

Toward a better decade of sustainable development: Leaving no one behind

HÀ NỘI, 09 - 12 - 2021



**VCCI'S NEW VISION AND MISSION**

SUSTAINABLE DEVELOPMENT – KEY TO THE FUTURE

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**Party General Secretary Nguyen Phu Trong addresses the National Conference on Foreign Affairs**

## DEVELOPING MODERN DIPLOMACY WITH “VIETNAMESE BAMBOO” CHARACTERISTICS

In his speech at the recent National Conference on Foreign Affairs in Hanoi, Party General Secretary Nguyen Phu Trong delivered a message of determination to build modern diplomacy with “Vietnamese bamboo” characteristics.

**A**ddressing the event held in Dien Hong Hall, National Assembly Building, the General Secretary reaffirmed that Vietnam has never before had the opportunity, potential, position and international prestige it has today.

According to the General Secretary, after more than 35 years of renovation, the country's foreign affairs have obtained many good achievements. Accordingly, Vietnam has established relations with 189 out of the 193 member countries in the United Nations, special relations with three countries, strategic partnership with 17 countries, comprehensive partnership with 13 countries.

Total export turnover this year is forecast to reach US\$600 billion, 120 times that of the early years of the Doi Moi period. The country has attracted US\$400 billion in foreign investment. The overseas Vietnamese community has contributed to the construction and defense of the Fatherland.

"Regarding relations on the multilateral level, we are a responsible member of many international organizations. Regarding the COVID-19 pandemic, we have been actively and responsibly contributing to the world's pandemic prevention and control campaign, taking advantage of the international support for vaccines, medical equipment and therapeutic drugs," said General Secretary Nguyen Phu Trong.

The General Secretary also emphasized that foreign affairs have played a very important role in maintaining a peaceful and stable environment, ensuring the sovereignty, unity and territorial integrity of the Fatherland.

He emphasized that Vietnam would raise the banner of peace, control disagreement and seek peaceful solutions on the basis of international law and ensure the national interests.

However, General Secretary Nguyen Phu Trong also asked those who work in foreign affairs not to be subjective because there were still many things to improve. The General Secretary pointed out that many foreign activities were not really active and effective.

In addition, there is a lack of synchronous solutions to limit negative activities. The coordination between sectors, levels and localities is still lacking. Finally, according to the General Secretary, the strategic research and situation forecasting has not been really methodical and the results have not been achieved as expected.

In his speech, General Secretary Nguyen Phu Trong also said that the country had its own school of diplomacy, a unique school of diplomacy of the Ho Chi Minh era: The Vietnamese bamboo diplomacy.

Like bamboos with strong roots, solid stems and flexible branches, Vietnamese diplomacy is soft and clever, but still persistent and resolute; flexible, creative but consistent, valiant and resilient against all challenges and difficulties for the national independence and people's happiness; united and humanitarian but resolute, persistent and patient in safeguarding the national interests, he said.

At the end of his speech, the General Secretary emphasized that diplomats must be politicians, loyal to the Party's ideals, serving the interests of the people, and taking national interests as the red thread throughout.

The General Secretary said that diplomats were required to have high qualities because they assume the "glorious and responsible" task of working in foreign countries.

He called on diplomats to be confident, firm and steadfast in order to protect and promote the interests of the country, and behind them is the support of the whole nation.

"I hope this conference marks a new milestone, creating a new transformation in foreign affairs," concluded the General Secretary. He also sent early New Year greetings to diplomats, cadres and civil servants working in the foreign affairs sector.

At the end of his speech, Party General Secretary Nguyen Phu Trong called for determination to build a modern foreign policy imbued with national identity - the Vietnamese bamboo diplomacy. ■

# Creating New Transformation in Diplomacy



**President Nguyen Xuan Phuc (L) affirmed that Vietnam always treasures its comprehensive strategic partnership with Russia during his talks with Russian President Vladimir Putin in Moscow on November 30**

At the 31st Diplomatic Conference recently held in Hanoi, Minister of Foreign Affairs Bui Thanh Son emphasized that Vietnam should create a new transformation in diplomacy.

**M**inister Bui Thanh Son said that the 31st Diplomatic Conference took place at an important time, when the diplomatic sector was entering a new phase, striving with high determination to successfully implement the 8th Party Congress's Resolution, the 10-year socio-economic development strategy (2021-2030) and the socio-economic development plan for the period 2021-2025. In particular, this Diplomatic Conference, which was held right after the National Diplomatic Conference, affirmed the great determination of the entire diplomatic sector in thoroughly grasping and quickly implementing the instructions of General Secretary Nguyen Phu Trong on foreign affairs.

"The 31st Diplomatic Conference was attended and directed by Prime Minister Pham Minh Chinh. The Prime Minister's attendance shows the special and close attention of the Party, State and Government to foreign affairs in general and diplomacy in particular. It is a source of the contingent to

diplomats - the driving force on the external fronts of our Party and State," emphasized Minister Bui Thanh Son.

## **Persistent in principles to achieve important and comprehensive results**

Looking back at the 30th Diplomatic Conference in 2018 up to now, Minister Bui Thanh Son said that the world situation changed rapidly and complicatedly, with many new and unexpected developments, of which COVID-19 pandemic has lasted for nearly two years, deeply affecting all aspects of political, socio-economic and international life.

In that context, Minister Bui Thanh Son said the diplomatic sector has been persistent in principles, steadfast in goals, proactive, flexible and creative in overcoming difficulties and overcoming challenges to synchronously deploy the important tasks of foreign affairs, thereby achieving important and comprehensive results.

The Foreign Minister said that the achievements of the diplomatic sector were associated with the Party's correct foreign policy and guidelines, the close leadership and

direction of the Politburo, the Secretariat, the effective administration of the Communist Party of Vietnam, State, National Assembly and Government. The close and smooth coordination between Party diplomacy, State diplomacy, people's diplomacy, diplomacy and defense and security, coordination within branches, levels and agencies in the political system, and the support of the whole people and the business community have created synergy on the external front.

Specifically, under the direction of the Politburo, the Secretariat, the leaders of the Party and State and directly the Prime Minister, the diplomatic sector has actively coordinated with the leading ministries and agencies to develop economic diplomacy, vaccine diplomacy, take advantage of the timely and effective support of the international community for vaccines and medical products in the treatment and prevention and safe adaptation to the pandemic.

In addition, the diplomatic sector continues to strongly promote to the world the image of Vietnam as independent, self-reliant, rich in cultural identity, loyal, trustworthy and determined to innovate. The country is making active and responsible contributions to important international forums, especially fulfilling the role of the ASEAN Chair 2020, a non-permanent member of the United Nations Security Council for the 2020-2021 term, thereby enhancing Vietnam's position and prestige in the international arena.

These important achievements have contributed to the common achievements of 35 years of renovation, with



**Prime Minister Pham Minh Chinh (L) and Japanese Prime Minister Kishida Fumio review the Guards of Honour during his official visit to Japan in late November 2021**



**National Assembly Chairman Vuong Dinh Hue (L) emphasized that Vietnam attached importance to the relationship with the Republic of Korea during the recent talks with his Korean Counterpart Park Byeong-seug**

opportunity, potential, position and international prestige that our country has never had before; thereby, contributing to strengthening the people's pride, trust and consensus on the leadership of the Party and State and the renovation, industrialization and modernization of our country.

However, according to Minister Bui Thanh Son, besides the very important results, with the spirit of market demand and objective assessment, the diplomatic sector still has much to do better, especially in terms of taking advantage of the opportunities, favorable international factors, cooperation frameworks and open partnership to contribute more effectively to the construction and defense of the Fatherland.

### **Creating new transformation in diplomacy**

According to Minister Bui Thanh Son, Vietnam is entering a new strategic phase associated with the realization of aspiration, vision, goals and development direction of the country until the middle of the twenty-first century in the spirit of the 8th Party Congress Resolution.

Although there are still many difficulties and challenges, the cause of comprehensively and synchronously promoting the renovation work of the country is in line with the interests of the nation and the mainstream trends of the times, creating great opportunities to continue arousing and combining national strength with the strength of the times for national development and national defense.

Minister Bui Thanh Son said that the world was going through great changes, but peace, cooperation and development were still main trends and globalization continued to develop. The 4th Industrial Revolution creates a great opportunity to promote the country's development based on innovation, science and technology, and digital transformation, but the risk of falling behind is also great. The adjustment and strategic competition among major countries is increasingly complex and drastic. The prolonged COVID-19 pandemic has profoundly changed the economic structure, development model, management method and social life in the world.

This international context has a strong, profound and multifaceted impact on the security, development and foreign affairs environment of the country, opening up opportunities but also posing problems and increasing requirements for foreign affairs and diplomacy. We have to forecast and consult better strategies to preserve the country; react more quickly,

creatively and accurately; perform more synchronously and effectively the key tasks of security, development and raising the country's position.

In the spirit of sticking to the guidelines and foreign policy of the 13th Party Congress and with the theme "Vietnamese diplomacy serves as key and pioneer force, proactively adapts and successfully implements the Resolution of the 13th National Congress of the Communist Party of Vietnam," Minister Bui Thanh Son oriented the focus on the following issues:

First, on the assessment and forecast of the international situation, the current international environment and many years to come are characterized by high uncertainty, rapid developments, and many important partners of Vietnam are adjusting strategies and policies.

Secondly, on the basis of a comprehensive assessment of diplomatic work over the past time, thoroughly grasping the spirit and content of the Resolution of the 13th Party Congress, the Conference proposed plans, tasks and measures implementing synchronously, creatively and effectively bilateral and multilateral diplomatic activities, political diplomacy, economic diplomacy, cultural diplomacy, external information, overseas Vietnamese work and citizen protection in order to successfully carry out simultaneously the tasks of maintaining a peaceful and stable environment, protecting independence, sovereignty, unity and territorial integrity, mobilizing external resources for socio-economic development and improving the position and prestige of the country.

Third, on building comprehensive and modern diplomacy, the 31st Diplomatic Conference clarified the content, and determined plans, directions and measures to build and develop comprehensive and modern diplomacy.

Minister Bui Thanh Son suggested that all cadres and party members of the Foreign Affairs sector thoroughly grasp the instructions of the Party and State leaders, especially of the General Secretary at the National Foreign Relations Conference and of the Prime Minister at the Diplomatic Conference, highly promote the sense of responsibility and collective wisdom, and discuss enthusiastically, creatively, effectively and closely follow the conference's theme to set practical and feasible directions and solutions, creating new transformation in the work of the diplomatic sector, in order to make a worthy contribution to the successful implementation of the Resolution of the 13th Party Congress.■

# VIETNAM ON RIGHT TRACK OF GLOBAL DEVELOPMENT TREND



**Minister of Natural Resources and Environment Tran Hong Ha (M)  
at the workshop on the outcomes of COP26**

The British Embassy, the Ministry of Natural Resources and Environment and the United Nations Development Program (UNDP) recently co-organized a workshop to announce the results of the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26) held in Glasgow, the UK.

**GIANG TU**

**A**t the workshop, Minister of Natural Resources and Environment Tran Hong Ha mentioned the important achievements of COP26, most notably the Glasgow Climate Agreement with the participation of nearly 200 countries committed to strongly promoting climate change action to limit the global temperature increase to 1.5 degrees Celsius, and more details on Vietnam's commitments announced at COP26 by Prime Minister Pham Minh Chinh and subsequent actions to help Vietnam fulfill those commitments successfully.

## **Vietnam's commitments at COP26**

COP26 has marked a breakthrough in the world's development model, from fossil energy-based to low-emission development, toward zero-net emissions.

According to Minister Tran Hong Ha, the participation of Vietnam Prime Minister Pham Minh Chinh and the Vietnamese delegation has contributed to the success of COP26.

Many contents and commitments made by the Prime Minister

of Vietnam at the COP26 Climate Change Summit are highly appreciated by the international community, as Vietnam's commitments are completely in line with the common trend of humanity to choose a development model that does not harm today's and future generations.

Mr. Pham Van Tan, Deputy Director of the Department of Climate Change and Deputy Head of Vietnam's negotiating committee on climate change, said, along with the Katowice Climate Agreement Package approved at COP24 in 2018, the Agreement Package the Glasgow Climate Agreement was adopted at COP26, and the Code of Conduct guiding the implementation of the Paris Agreement has been basically finalized. The commitments open up many opportunities for cooperation on low-emission growth, promoting circular economy development, and climate change adaptation.

"Vietnam is on the right track of the global development trend along with developed countries with high economic and technological potential. The commitment to bring net emissions to "zero" and join the commitment to reduce Methane emissions has sent a strong signal to the international community, unlocking global financial resources for low-emissions development. This is an opportunity for Vietnam to develop," said Mr. Pham Van Tan.

"The revised Law on Environmental Protection in 2020 (Chapter to respond to climate change) and the Draft Decree on mitigating greenhouse gas emissions and protecting the ozone layer have been built in the direction of approaching the latest regulations in climate change negotiation, completely consistent with the latest regulations just approved at COP26. These will be an important legal basis for mobilizing the whole society to respond to climate change," added Mr. Tan.

Appreciating Vietnam's commitment, British Ambassador Gareth Ward said, "Vietnam's announcement of its net-zero emissions target by 2050 has impressively demonstrated its leadership on the climate, and at the same time sent an



important message to the international community about the sustainable development of Vietnam's economy."

Ms. Caitlin Wiesen, Chief Resident Representative of the United Nations Development Program in Vietnam, also emphasized: "We congratulate Vietnam for always being a pioneer in multilateral cooperation, taking the lead in people-centered policy, inclusive growth and sustainable development both in the region and globally. We especially commend Vietnam's commitment to raising its ambitions and joining global efforts to combat climate change."

### **Vietnam's subsequent actions**

Besides a strong commitment at COP26, according to Minister Tran Hong Ha, Vietnam has prepared a roadmap for implementation, which includes putting contents to respond to climate change and commitments to implementing the Paris Agreement into the Law on Environmental Protection in 2020, the Decree on mitigation of greenhouse gas emissions and protection of the ozone layer; developing regulations on implementation of climate change mitigation and adaptation to meet transparency requirements. "This is an important legal basis for mobilizing the entire population to respond to climate change," Minister Hong Ha emphasized.

However, Mr. Pham Van Tan said, Vietnam is facing a number of immediate challenges in mobilizing and maintaining the participation of the entire political system, with a firm determination to implement the long-term transformation roadmap. Besides, domestic resources are still weak and cannot meet advanced production technologies and processes. Meanwhile, it is difficult for Vietnam to access foreign resources due to obstacles in administrative mechanisms and procedures.

British Ambassador Gareth Ward shared that, in the future, the UK and development partners are committed to promoting and supporting Vietnam in realizing new goals through increasing proposals for financial and technical assistance. They want to help Vietnam find the right combination of increased public investment, mobilizing ODA and concessional loans to reduce costs for the country and put in place appropriate management measures, helping Vietnam become an attractive destination for green investments in the next 20 years.

Ms. Caitlin Wiesen emphasized that it is time to readjust policies, legal frameworks, strategies, plans and investments to achieve these goals. Zero net carbon emissions by 2050 is an ambitious target that can only be achieved with strong Government leadership. UNDP is committed to working closely with Government, development partners, business, scientists, women, youth and local communities, to pursue a whole-of-government and society-wide approach to realize these new ambitions. This will be complemented by simplifying regulations to allow the business sector to fully contribute to the people-centered green economic recovery.

Ambassador of the Delegation of the European Union (EU) to Vietnam Giorgio Aliberti also shared that, to implement the results of the COP26, Vietnam needs to continue to raise the awareness and determination of all levels, sectors, localities, organizations and individuals to be consistent with the transition process. In addition, Vietnam should soon issue a decree to reduce greenhouse gas emissions, protect the ozone layer, develop a carbon market development project; and follow the implementation guidelines of the Paris Agreement to complete the legal basis for emissions reduction in Vietnam. ■

# **Vietnam, Canada Strengthen Business Ties**

On December 7, Mr. Pham Tan Cong, President of the Vietnam Chamber of Commerce and Industry (VCCI), hosted a meeting with Vietnamese Ambassador to Canada Pham Cao Phong in Hanoi.

HUONG LY

**A**t the meeting, Ambassador Pham Cao Phong said that the economic cooperation between Vietnam and Canada has been elevated. The two-way trade turnover between the two countries grew by more than 28% in the first nine months of 2021, despite the negative impacts caused by the COVID-19 pandemic. Seafood, materials and components, leather and footwear, and textiles are among Vietnam's main export items to this market.

Canada is currently interested in a number of areas, such as developing small and medium-sized enterprises, and women-owned enterprises. Vietnam can prompt initiatives to promote cooperation and connect the business communities of the two sides to attract investment from Canada, said Ambassador Pham Cao Phong.

In addition, Mr. Phong emphasized that Canada is focusing on promoting multilateral cooperation. In recent years, Canada and ASEAN have worked together to diversify trade and economic cooperation. Both countries are also members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Ambassador Phong also wished to receive suggestions from VCCI about the investment needs of the Vietnamese business community to further expand business ties between the two countries.

VCCI President Pham Tan Cong said that currently, cooperation between Vietnamese and Canadian businesses is still modest. In addition to traditional fields such as fisheries, textiles and agriculture, the VCCI President suggested that a connection program between the ASEAN-Vietnam business community be built in digital transformation in support of women-led businesses and SMEs.

VCCI President Cong said that VCCI would implement three strategic breakthroughs in the coming time, namely building a favorable business environment; fostering digital transformation for businesses, and building business culture in Vietnam. In particular, supporting digital transformation in businesses is a strong focus of VCCI and will be deployed immediately.

VCCI will always support the Embassy in providing market intelligence and connecting business partners to promote trade and investment cooperation between the two countries in the new context, VCCI President Cong affirmed. ■



VCCI President Pham Tan Cong delivers a speech at the 14th Meeting of the Executive Committee of VCCI

## VCCI'S NEW VISION AND MISSION

The 7th National Congress of the Vietnam Chamber of Commerce and Industry (VCCI) is set to take place at VCCI Tower, 9 Dao Duy Anh, Hanoi and will be aired live to all VCCI branches nationwide on December 30 and 31, 2021. The event will attract 450 official delegates and 100 guest delegates.

ANH MAI

According to VCCI President Pham Tan Cong, VCCI's vision is for a strong business community and a prosperous nation, and its mission is to implement this vision to turn Vietnam into a developed country by 2045 as specified in the Resolution of the 13th National Party Congress. These are the biggest issues in VCCI's vision.

Besides, VCCI's working mode has changed: Playing a central role in uniting business associations and enterprises and supporting the development of associations through which it helps build a strong business community.

### Uplifting position and strengthening business support

Over the past 58 years, VCCI has never been in such a position as it is today: dynamic in reform, aggressive in integration, innovative in cooperation for business development support. VCCI has well promoted its role as a driving force for institutional reform and as a center for uniting businesses for their development. VCCI is considered one of the most dynamic chambers of commerce and industry in developing countries.

During the war, VCCI took on two

important tasks: Promoting the relationship of Vietnam's businesses and economy with the world, and participating in the legal and political struggle against the economic siege and blockade. In peacetime, especially since the adoption of doi moi and transition to a market economy, it has focused on building initial foundations for a new business environment, developing the business community, and actively joining efforts to open the economy, boost exports, attract investment, and integrate into the international economy. VCCI is now a national representative agency that promotes and protects the legal and legitimate interests of the Vietnamese business community; and facilitates the development of the business community. With important contributions to national construction and defense, VCCI was honored with the Ho Chi Minh Order by the Party and the State of Vietnam and many other noble awards.

VCCI President Cong said, to make Vietnam a developed country by 2045 as announced by the 13th National Party Congress, the business community and the entrepreneur circle must be on par with their global peers in all aspects, not only capital, technology or products, but also culture, lifestyle, business ethics and social prestige. This is a huge and challenging goal that VCCI must embark upon to promote and support Vietnamese entrepreneurs and businesses to achieve.

In addition to long-term goals and tasks, VCCI has focused on performing urgent tasks well, particularly the fight against the COVID-19 pandemic.

"The pandemic has caused many businesses to shut their operations. The loss of the business community was enormous, hitting our economy in the global production chain. Therefore, supporting and assisting the business community to overcome difficulties at this time is an urgent task that VCCI needs to put all its efforts into," he said.

Therefore, in September 2021, VCCI launched the Business Cooperation Council for COVID-19 Response - a special mechanism to connect businesses and associations with international, national and local agencies and organizations to work together to respond to the COVID-19 pandemic. This move has helped minimize possible losses while maintaining business operations, protecting enterprises, workers and economic activities and supporting the



**NA Chairman Vương Đình Huệ (L) and VCCI President Phạm Tân Công co-chair a meeting with the business community**

country's fight against the COVID-19 pandemic. The council also serves as a focal point for businesses to cooperate and share information, experience and measures to cope with COVID-19 impacts, continue operations and keep the market.

### **Six core missions and three breakthroughs**

The draft summary report on the sixth term operations (2015-2020) and seventh term working directions (2021-2026) defines seven working approaches for the 2021-2026 term: Fostering an enabling business climate; leading the construction of Vietnamese business culture; strengthening VCCI's roles in industry connectivity, value chain linkage and regional connectivity; promoting solidarity and synergy of Vietnamese enterprises, boosting connection and development of business associations by industry and size; advancing the implementation of substantial and comprehensive digital transformation across enterprises; reinforcing the role of employer representative agencies; and reforming and advocating VCCI's active, creative working methods to direct and shape activities to support and protect legitimate rights and interests of the business community.

In order to achieve these goals and targets, the draft working report for the new term of VCCI recommends six key tasks and solutions.

First, actively joining policymaking and facilitating the business environment. The focus will be placed on improving working quality, policymaking, enabling the business environment, and enhancing the communication environment to support business development.

Second, promoting and improving support quality for business development, including solutions to foster business support initiatives toward sustainable development and strengthen SME support activities; encouraging initiatives and increasing support for female-owned businesses; fortifying linkages between SMEs and industry leaders; and urging enterprises to adopt digital transformation, boost human resource training and upgrade corporate governance.

Third, strengthening connectivity to support business

development. The focus will be placed on implementing a number of solutions, such as developing and connecting business associations, and improving the capacity of business associations and employers.

Fourth, developing the entrepreneur force, building the Vietnamese business culture, including specific solutions for building and developing the entrepreneur force and building the Vietnamese business culture.

Fifth, strengthening connectivity and boosting the effect of international integration, making good use of FTA opportunities to protect and support businesses to enhance adaptability in the integration process.

Sixth, reforming operations and improving the working performance of VCCI, focusing on solutions to consolidating and renovating the working statute of the Executive Board, perfecting internal management system, researching and applying governance innovations and practices adopted by worldwide chambers of commerce; applying information technology to internal governance; launching communication strategies, building the image of VCCI in association with the business community.

At the same time, VCCI also defines three strategic breakthroughs: Joining more deeply and effectively in policymaking, improving the business environment, facilitating business environment, drawing foreign investment funds and motivating the establishment and development of enterprises, enabling enterprises to restore and expand production and business; taking the lead in building business culture, corporate culture and entrepreneurial culture in Vietnam to shape the spiritual foundation for business development; and boosting support for enterprises to speed up digital transformation, technology application and business model innovation. VCCI will concentrate on supporting the development of technology enterprises, giving priority to digital technology enterprises and industries such as information technology, electronics, telecommunications, cybersecurity, finance - banking, e-commerce and digital agriculture. ■



Deputy Prime Minister Vu Duc Dam, VCCI President Pham Tan Cong and other delegates at the Vietnam Corporate Sustainability Forum 2021

## SUSTAINABLE DEVELOPMENT

# Key to the Future

**T**his message was delivered by the Deputy Prime Minister at the Vietnam Corporate Sustainability Forum 2021 (VCSF 2021) on December 9. The 7th VCSF took place amid the spreading contagion of the COVID-19 pandemic which caused a heavy impact on Vietnam's socio-economic development.

The Government of Vietnam has integrated sustainable development indicators into all socio-economic development strategies, he said. The National Action Plan on Sustainable Development is reviewed annually to assess criteria applied, outcomes achieved and challenges confronted.

For the time being, only two sustainable development goals, namely education and responsible consumption and production, are assessed to be completed in Vietnam. The remaining goals such as infrastructure, life at sea and on land still have a huge gap to be filled to reach

Sustainable development has become a vital megatrend for countries around the world, including Vietnam, said Deputy Prime Minister Vu Duc Dam.

HUONG LY

the finish line.

Deputy Prime Minister Dam acknowledged that achieving all sustainable development goals is a huge challenge for countries, even the most developed ones. Vietnam is a developing country with a lot of existing difficulties, but it still boldly makes a strong commitment to sustainable development.

"Vietnam cannot achieve its sustainable development goals without the participation of

people, without the determination to promote public-private partnership where the business plays a core role," he noted.

The COVID-19 pandemic is a push for businesses to change their thinking about crises, enabling them to make better preparation and investment, dedicating more resources for designing a risk management framework. When a crisis occurs, they can immediately start up defense and troubleshooting mechanisms to

quickly recover and develop even more sustainably. When the pandemic is controlled and the economy revives, given their existing competitive advantages, they will have a solid foundation to recover sooner and return to the growth trajectory.

The outbreak of the COVID-19 pandemic has shown that businesses that have pursued and applied sustainable business strategies and models have better resilience and response to the crisis. And in the past, the Vietnamese business community has provided great financial, material and spiritual contributions to the fight against the pandemic and to the economic recovery of Vietnam.

Deputy Prime Minister Vu Duc Dam highly appreciated the Vietnam Chamber of Commerce and Industry (VCCI) and its partners for persistently initiating and organizing VCSF. When he assigned tasks, he expressed his belief that VCCI will make more efforts to lead and work with the business community to have greater contributions to the cause of making Vietnam more prosperous, happier and more sustainable, and leaving no one behind.

VCCI President Pham Tan Cong said at VCFS 2021 that working practices of the business community in the past have proven that earlier adoption of sustainable development and sustainable business and governance models has made companies more resilient to global challenges.

"Without doubt, applying sustainable business and governance models is an effective vaccine to strengthen the immune system of enterprises," he emphasized. To increase resilience, they need to change their business thinking, see sustainable development as indispensable, and the only way for them to stand firm in the global market. A responsible and sustainable business approach needs to be instilled with a company-wide commitment, from the leadership level to each and every employee.

Sustainable businesses quickly study and apply the CSI Index to corporate governance. CSI helps all businesses, especially SMEs, to work out a specific roadmap for building a sustainable development strategy, early identify risks and new business opportunities, thus enabling it to manage business more efficiently.

The 6th announcement of Vietnamese sustainable enterprises in 2021 shows that the percentage of



**Deputy Prime Minister Vu Duc Dam addresses the Vietnam Corporate Sustainability Forum 2021**

Vietnamese enterprises and foreign enterprises winning Top 10 titles is 55% and 45%, respectively. In the Top 100, these respective percentages are 63% and 27%. This demonstrates that the readiness, transformation and responsiveness to the sustainable business of Vietnamese enterprises are increasingly strong and progressive.

At VCSF 2021, VCCI and VBCSD gave recommendations and solutions to governmental agencies and the business community. Accordingly, governmental agencies need to further improve the legal framework, create a favorable business environment for enterprises toward sustainable institutions in order to promptly remove difficulties and obstacles, and arouse all potential and resources to generate a new driving force for rapid and sustainable development.

According to VBCSD, the business community needs to change their thinking, see sustainable development as indispensable and the only way for them to stand firm in the global arena; urgently research, apply and spread the CSI Index in corporate governance; establish a sustainable business network to sharpen their competitive advantages; and study and develop industry-specific and business-based CSI indices. ■

# APPLICATION INITIATIVES FOR CIRCULAR ECONOMY

With the efforts of the Government, agencies and many businesses in the past years, the concept of circular economy has become much familiar in the Vietnamese business community. Vietnam Business Forum would like to introduce some opinions on this matter.

## Circular economy brings many business opportunities

Mr. NGUYEN QUANG VINH



GENERAL SECRETARY OF VCCI, VICE CHAIR CUM GENERAL SECRETARY OF VBCSD

The circular economy brings a new perspective on the more efficient and economical use of inputs; constantly reminds people to use finite resources such as water, energy, materials and even food with a longer life cycle and higher

value than the current traditional way. According to a 2019 study by the World Business Council for Sustainable Development (WBCSD), once adopted, the circular economy will help create at least US\$7.7 trillion of market opportunities for businesses and more than 380 million new job opportunities by 2030, while sustaining global economic growth.

Building the circular economy is defined as one of the country's development goals in the 2021-2030 period as stated in the Document of the 13th National Party Congress and included in the 2020 Environmental Law. This is an effort to build a legal corridor and an institutional framework for the stronger application of the circular economy in Vietnam.

The circular economy has been included in the working agenda of VBCSD/VCCI since 2016. VBCSD/VCCI has added this content into annual forums and conferences on sustainable development hosted by VBCSD/VCCI from 2017, thus helping raise awareness and boost discussions on the circular economy among the Government, agencies, experts and business community. In January 2018, VBCSD/VCCI officially launched the "Circular economy support initiative for businesses in Vietnam". This effort enhances the competitiveness of the private sector and further fosters business participation to build a net-zero economy.

In 2020, VBCSD/VCCI asked the Prime Minister to develop and carry out the National Program on Circular Economy Support for the Business Community in the 2021-2025 period.

Furthermore, VBCSD/VCCI is also actively coordinating with its members, domestic and international partners to carry



Many CSI winners are leaders in delivering the circular economy



VIETNAM BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (VBCSD)

Sustainable Business,  
Prosperous Societies

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out projects and initiatives such as the “Zero waste to nature” initiative to reduce waste plastic and build a sustainable circular business model; the “Vietnam secondary marketplace” initiative; studies on readied participation into the circular economy in the paper and plastic industries; and business and media training on circular economy.

Recently, in October 2021, VBCSD published a report on research results on the current situation and potential of the circular economy in the fast-moving consumer goods industry in Vietnam, focused on the food and beverage sector. The study was carried out on 100 medium and large manufacturers and processors of inputs and products categorized into nine food and drink categories. Research results show that 90% of respondents shifted to the circular economy at different levels, with a focus on prioritized use of materials, infrastructure and packaging.

## Building a zero-waste future

### Mr. BINU JACOB

CEO OF NESTLÉ VIETNAM, CO-CHAIR OF VBCSD



As one of the world-leading food and beverage companies, Nestlé has built a phased roadmap for net-zero CO2 emissions across its operation and supply chains by 2050.

Fulfilling the commitment “By 2025, 100% of Nestlé packaging will be recyclable or reusable”. This commitment matches Nestlé’s

vision “None of Nestlé’s packaging, including plastic packaging, should be landfilled or wasted” to realize the goal of building and shaping a zero-waste future.

By mid-2022, 100% of Nestlé’s instant drink products will switch to using environmentally friendly straws. This initiative helps reduce by nearly 700 tons the plastic waste in production each year.

Other Nestlé brands such as Nescafé are also being shifted to single-package, which is recycled much easier than the multi-layer package. La Vie Company, a member of Nestlé Group, also launched a natural mineral water product line using recycled plastic bottles (rPET).

Not only leading research and development of sustainable packaging, Nestlé also actively cooperates with the government and partner businesses to strengthen efforts to combat plastic waste. In 2021, Nestlé Milo worked with the Ministry of Natural Resources and Environment to launch the campaign “Say no to plastic straws”, calling on 98 million Vietnamese people to take action to combat plastic waste.

Nestlé Vietnam and La Vie joined hands with leading companies in consumer goods and packaging sectors to co-found the Packaging Recycling Organization of Vietnam (PRO Vietnam) which aims to boost the circular economy to turn waste into resources instead of releasing it into the environment. Nestlé is also an active member of the Global Plastic Action Partnership Program (GPAP) and the National Plastic Action Partnership Program (NPAP).

By applying the circular economy in manufacturing factories, the company not only reduces solid waste and

plastic waste into the environment but also helps cut 22,600 tons of CO2 emissions a year. Biomass energy helps replace 73% of fuel for boilers while 100% of waste from coffee production is reused as biomass energy.

Nestlé also actively recycles and reuses waste, including dairy packages. The company has changed packaging material from 25kg to 250kg, helping reduce 34 tons of plastic a year, and used a 1-ton sugar package to slash 31 tons of plastic a year or replace plastic wraps with canvas. Thanks to these efforts, Nestlé has significantly diminished the plastic used in production.

## Applying circular economy from production

### Mr. PHAM HUNG ANH TUAN

HEAD OF OPERATIONS, BAT EAST ASIA CLUSTER



In the sustainable development strategy, the tobacco industry has adopted many solutions to minimize product harm and improve production processes to reduce emissions into the environment. Particularly, BAT is very keen on biodiversity conservation, water protection and forest protection, committed to not

using natural firewood, improving soil fertility, managing energy and reducing sources of water pollution in its leaf-growing areas. In addition, BAT has sought to raise farmers’ awareness by applying advanced production models and providing culturally intuitive and appropriate training.

BAT-Vinataba tobacco joint venture factory in Bien Hoa (Dong Nai) also adopted many initiatives such as water reduction and water reuse. Waste from kitchens, leaves, tobacco dust and sewage sludge are reused to make fertilizers.

In business, we focus on reducing carbon emissions such as rooftop solar power systems and shifting to use biomass energy for boilers instead of fossil fuels.

In Vietnam, with more than 15 years of developing tobacco material areas, BAT has had stable growing areas where farmers’ incomes are always 30% higher than the investment target and over 90% of farmers have worked for the company since its establishment. To date, BAT’s factories in Vietnam have completely switched to using biomass for combustion boilers, thereby raising the rate of renewable energy used in Vietnam by the end of the third quarter of 2021 to 26%, double the plan for 2021. All lighting systems at factories have switched to LED lights to save more than 40% of lighting energy compared to conventional light bulbs.

Effective sustainability applications have helped BAT on a global scale to be continuously recognized on the Dow Jones Sustainability Index and continuously recognized as a Diversity Leader by the Financial Times.

By 2025, BAT aims to completely eliminate unnecessary single-use packaging plastics, achieve an average recycling rate of 30% for all plastic packaging; all plastic packaging products can be recycled, reused or biodegradable, environmentally friendly. All BAT plants will have no landfill waste and 95% of waste will be recycled. ■

# CONINCO

## DOING BUSINESS FOR PEOPLE, SOCIAL RESPONSIBILITY AND ECOSYSTEM



Sustainable development must be built on economic growth, human security, social security and ecological security. Doing business for people, social responsibility and global ecosystem is CONINCO's approach to sustainable development strategy, said Dr. **Ha Minh**, CEO of Consultant and Inspection Joint Stock Company of Construction Technology and Equipment (CONINCO., JSC), in an interview granted to Vietnam Business Forum's reporter.

### What do you think about sustainable development?

Sustainable development globally, as placed in the "2030 Agenda for Sustainable Development" adopted by the United Nations General Assembly at its 70th Meeting from September 25-27, 2015 in New York, is an action plan for people, planet and prosperity that places humans at the heart, leaves no one behind and acts for generations today and beyond. This is also my point of view. Having 10 years of experience in researching and teaching at Saitama University of Japan where development outruns the region and the world, working in a well-cultured and modern economic environment, traveling to more than 60 countries and territories and conducting more than 50 scientific research projects published in international journals and conferences, I am well aware of sustainable development. After returning to Vietnam, I led a leading construction consultant company with nearly 1,000 leading architects, engineers and industry experts. Our business is indirectly related to many aspects of construction environment, climate change, energy and quality of life. We always take people as the center, the core and the driving force of sustainable development. Sustainable development must be built on economic growth, human security, social security and ecological security. Doing business for people, for social responsibility and for the global ecosystem is CONINCO's approach to sustainable development strategy.

### How is CONINCO applying

**its strategy to achieve sustainable development, boost the brand name and successfully integrate with the world, especially regarding its investment in developing human resources and applying science and technology to accelerate digital transformation in business?**

We understand that the working environment is the first factor to awaken the hidden potential in each person whose dedication, honesty, and in-depth experience are decisive to the most sustainable success. CONINCO TOWER crystallizes the quintessence of all CONINCO people and makes you feel comfortable, energetic, enthusiastic and creative. The business principle of CONINCO during the past 45 years is providing employees with the best working environment with a professional and flexible governance system; solidifying the brand foundation; modernizing facilities for more than 1,000 employees to work creatively and devotedly for the development of themselves, the company and partly the society. This environment creates a "RELIABLE and SUSTAINABLE CONINCO". Since then, CONINCO has designed and constructed green, environmentally friendly buildings for a sustainable future of the country.

With its pioneering aspirations and investment strategy for sustainable development, CONINCO constantly strives to create breakthroughs in technology and administration that represent the knowledge and wisdom of the Vietnamese people. The company,



at the same time, cooperates closely with top universities in Vietnam and overseas to improve the quality of human resources. One of CONINCO's outstanding successes is its international cooperation, featuring successful cooperation with hundreds of customers and partners in many countries in the world. This has spread the name of CONINCO far and wide and made CONINCO a prestigious address for companies around the world to come to find cooperation opportunities.

#### **What solutions did CONINCO adopt to overcome the effects of the COVID-19 pandemic?**

Going through four outbreaks of the COVID-19 pandemic with prolonged social distancing, many Vietnamese businesses have gradually exhausted both finances and human resources. This has exerted a huge impact on the economy. CONINCO has been considerably affected by the pandemic when construction was halted, and trade and cooperation were restricted. Fortunately, its approach to sustainable governance enabled CONINCO to address pandemic challenges, maintain stable operations, harmonize economic benefits with employee interests and environmental protection. CONINCO determines that its key tasks are ensuring the safety of employees and taking care of their life and health and, at the same time, maintaining the quality of important projects under construction amid the pandemic.

As Vietnam's economy is adapting to the so-called 'new normal', restructuring and reforming resources are prerequisites and solutions for CONINCO to work effectively, improve competitiveness, respond promptly to external influences, prepare for future crises, find differences in the value chain, train employees for the new context, raise awareness, conduct international cooperation research and foster partnerships to further sustain its development in a deeply integrated economy.

In addition to the working philosophy of "Assurance for the future", "Share to connect" is an innovative philosophy of CONINCO development. CONINCO defines sustainable development as the harmony of not only economy, culture, society and environment, but also common interests, common values, shared benefits, shared values and risks. CONINCO has actively taken part in volunteer activities like supporting flood-affected people, building schools for

children in mountainous areas and joining hands with the country in the fight against COVID-19. All is for a united, developed, safe and compassionate Vietnam.

#### **What do you think about VCCI's cooperation with central agencies and other stakeholders to launch the "Program on Benchmarking and Ranking Sustainable Businesses in Vietnam"? Do you think we will need to do more for businesses to properly understand and perform their corporate social responsibility towards sustainable development?**

The Program on Benchmarking and Ranking Sustainable Businesses in Vietnam is particularly meaningful for domestic enterprises. It not only honors businesses with humane business thinking, and balances economic benefits with social development and environmental protection, but also raises awareness and inspires the business community to adopt sustainable corporate governance. Its Corporate Sustainability Index (CSI) measures the sustainable development of companies in many aspects, helps them shape and build business strategies and plans in line with their current capacity and future outlook. This helps them save a lot of time and resources in corporate governance towards sustainability, helps them increase their revenue, stabilize and increase income for their employees, increase their resilience against difficulties, maintain supply, production and business chains and foster faster recovery capabilities. Therefore, choosing sustainable development is vital for businesses.

The COVID-19 pandemic having lasted for two years has made us understand that economic wealth alone is not enough for sustainable development and human security, but that social security and ecological security are becoming increasingly important for sustainable development. Therefore, building and adopting an economically, culturally, socially, environmentally and ecologically sustainable institution is an urgent and important issue; people must truly be placed at the heart of development.

With the working philosophy of "Assurance for the future" coupled with its dedication and professionalism, CONINCO proudly wins customer trust and confidently supports them towards prosperous development. All is for a sustainable community.

**Thank you very much!**

# Finding Solutions to Ease Burden on Businesses Amid Pandemic

The import tax policy for raw materials and packaging in drug production (eg amoxicillin, ampicillin, etc.) has some unreasonable points when the tax rate imposed on the import of these raw materials is higher than that imposed on the finished products, while enterprises are required to import raw materials because there is no domestic supplier of these materials.

QUYNH CHI

**T**his is information that the representative of Imexpharm Pharmaceutical Corporation shared at the Dialogue Conference between the Ministry of Finance and enterprises on tax and customs administrative policies and procedures in 2021, recently organized by VCCI and the Ministry of Finance.

Imexpharm's representative proposed to the Government and the Prime Minister request the financial, tax and customs authorities to review and adjust tax policies for raw materials that cannot be produced domestically (materials that enterprises have to import for production), in order to help domestically produced finished products better compete with imported finished products.

## **All recommendations are considered and resolved**

According to VCCI President Pham Tan Cong, due to the pandemic, the Dialogue Conference on tax administrative policies and procedures in 2021 was delivered virtually with the main bridge point in Hanoi and eight others in the localities where VCCI branches and representative offices are

located. This is also the 16th year in a row that the conference was jointly organized by the Ministry of Finance and VCCI, continuing to demonstrate the Ministry of Finance's interest and determination to reform and support the business community of the Ministry of Finance in addressing difficulties, to reform administrative procedures of the tax and customs sectors. This conference is an opportunity for the Ministry of Finance and relevant agencies to directly receive, exchange and discuss opinions and recommendations of businesses, thereby continuing to adjust policies and administrative procedures that cause problems for businesses in addition to providing timely solutions to reduce the burden on businesses in the context of the pandemic.

According to VCCI President Cong, over the years, the tax and customs sectors have made great efforts in implementing reform of administrative procedures, automating procedural processes, and professionalizing and modernizing the working style of tax - customs officers.

VCCI President Cong said, in the process of preparing for this conference and through monitoring and assessing the level of business satisfaction, VCCI has collected suggestions from businesses through many different channels. The application of document codes, barcodes, goods in transit, tax rates, fees, tax refund process has also been proposed by businesses for specific amendments. All opinions of enterprises have been transferred to the relevant authorities of the Ministry of Finance before the conference for consideration and settlement. All comments and recommendations will be answered in writing and posted on the website of the Ministry of Finance and VCCI.

## **Many support policies**

According to Deputy Minister of Finance Vu Thi Mai, right at the beginning of 2021, as the operation of businesses and people still faced many challenges, including the very complicated developments of the COVID-19 pandemic, the Ministry of Finance submitted to the competent authorities



for promulgation and continued to implement a number of support solutions on taxes, fees, charges and land rent with an estimated support value of VND118 trillion, in which: the tax amount (including VAT, CIT, PIT) and the extended land rent is about VND115 trillion; the amount of tax (including environmental protection tax, import tax), fees and charges are exempted or reduced by about VND3 trillion.

Recently, in the face of the extremely complicated situation of the fourth wave of COVID-19, which has continued to seriously and heavily affected businesses and people, the Ministry of Finance has also submitted to the Prime Minister for promulgation a number of policies to reduce land rent, reduce VAT, exempt from arising tax, exempt from late payment interest and reduce CIT.

"In general, the tax, fee, charge and land rent solutions that have been issued and implemented in 2021 will support businesses and people with an amount of nearly VND140 trillion," Ms. Mai said.

According to Ms. Mai, the tax industry will continue to expand the scope of implementing the electronic tax system with the following services: electronic tax declaration, electronic tax payment, electronic tax refund, electronic invoices with more than 99.6% total number of enterprises participating in electronic tax declaration; 98.9% participating in electronic tax payment; and 97.6% participating in electronic tax refund. The Electronic Invoice System has been officially put into operation in six localities, including Hanoi, Ho Chi Minh City, Binh Dinh, Quang Ninh, Hai Phong and Phu Tho, and will be implemented in the remaining 57 provinces/cities in 2022.

Besides, the customs sector will also continue promoting the implementation of the national single window, the ASEAN single window; managing, supervising and ensuring the operation of the VNACCS/VICIS automatic customs clearance system and information technology systems, which have contributed to making the customs clearance of import and export goods become increasingly modernized and convenient, saving costs.

"Currently, the COVID-19 pandemic is still complicated and unpredictable, causing many difficulties for production and business activities. In the coming time, the Ministry of Finance will continue to closely monitor developments and actual conditions; summarize and evaluate the effectiveness of implemented policies to advise and report to competent authorities for appropriate support solutions. It will closely coordinate with the Ministry of Planning and Investment and other ministries and sectors to research and report to the Government and Prime Minister on the program of economic recovery and development, and submit it to competent authorities for consideration, making decisions, creating a basis for the development and implementation of the next support solutions," Ms. Mai said. ■

# Banking M&As to Rise with Foreign Investors

Room is still huge for the consumer finance industry, which is believed to be a primary reason for big global financial firms to acquire leading financial companies in Vietnam, according to MBS.

**I**n its recent industry research, MB Securities (MBS) said that COVID-19 has slowed down the M&A market, but deals in the banking and finance sector are expected to flourish from the fourth quarter with the broader participation of foreign financial institutions.

Notably expected deals include FCCOM Finance Company (owned by MSB) and Handico Finance Joint Stock Company (HAFIC).

MSB is negotiating with a foreign partner about FCCOM after it failed the deal with Hyundai Card. As of December 31, 2020, FCCOM's total outstanding debt (100% in cash) was VND322 billion, including VND28.4 billion of bad debt. A sharp rise in non performing debt caused FCCOM's net profit to shrink 64% from a year earlier to VND2.3 billion.

HAFIC is catching the attention of many domestic and foreign buyers. TPBank, AFS (Japan) and KB Kookmin Card (South Korea) are showing interest in HAFIC, even though it has been placed under special control by the State Bank of Vietnam (SBV) since 2015.

Previously, in October 2021, VPBank successfully transferred a 49% stake in FE Credit to SMBC for US\$1.4 billion.

According to MBS, FE Credit is expected to benefit from SMBC's low-cost capital flow in the long term, thus increasing its net interest margin (NIM) and profit. In addition, the profound experience and knowledge of the Top 3 Japanese financial institutions will also help FE Credit benefit from improving risk management processes, developing new products and penetrating potential markets such as China, Hong Kong, Taiwan and Thailand.

Thailand's Bank of Ayudhya spent US\$69 million acquiring SHB Finance. As of December 31, 2020, the latter's total outstanding loan was VND3,689 billion, up 35% year on year, and its net profit was down 34% to VND56 billion. This deal will help the Thai bank to access about 200,000 customers of SHB Finance and expand its presence in Southeast Asia.

MBS believes that, in the medium and long term, when the COVID-19 pandemic is controlled, Vietnam's economy is expected to stage high growth, resulting in people's higher incomes. Therefore, the room is still huge for the consumer finance industry, which is believed to be a primary reason for big global financial firms to acquire leading financial companies in Vietnam. SMFG's acquisition of a 49% stake in FE Credit started the M&A prospect in 2021.

Digital transformation is almost an inevitable trend in the financial industry and consumer lending in particular, said MBS. As their customers are typically low-middle-income earners, financial companies want to make procedures as simple as possible.

Moreover, as financially powerful banks want to promote retail banking, they have invested a lot in digital transformation, forcing financial companies to follow the course to enhance their competitive strength. This is even more evident during the pandemic time when digital transformation is optimized. ■

## RISING FDI

## LONG-TERM PROSPECT

**An attractive destination for investors**

According to the Foreign Investment Agency under the Ministry of Planning and Investment, as of November 20, 2021, FDI funds into Vietnam reached US\$26.46 billion, a slight increase of 0.1% over the same period in 2020. Notably, the fund from new projects and existing projects continued to impressively increase from a year earlier.

Specifically, from January to November, 1,577 new projects with nearly US\$14.1 billion were licensed, up 3.76% year on year, while 877 existing projects registered to increase their investment fund by over US\$8 billion, up 26.7%. Foreign investors invested in 18 industries out of a total of 21 industries. The processing and manufacturing sector led with over US\$14 billion, accounting for 53% of the total registered investment capital, followed by the electricity, real estate, wholesale and retail sectors.

The continued growth of FDI funding largely resulted from added investment of existing projects. Typically, LG Display Hai Phong Project (South Korea) increased its investment fund by US\$2.15 billion (US\$1.4 billion on August 30, 2021 and US\$750 million on February 4, 2021). Kraft Vina paper mill with a yearly capacity of 800,000 tons (Japan) had a total investment fund of US\$611.4 million, which will manufacture kraft paper, lining paper and packaging paper in Vinh Phuc province (its investment license was granted on

Despite COVID-19 pandemic impacts, foreign direct investment (FDI) in Vietnam in 2021 may be as much as that of 2020, according to economic experts. In the long term, Vietnam will remain a bright spot on the FDI attraction map.

THU HÀ

July 23, 2021). The factory of Polytex Far Eastern Vietnam (Taiwan) Co., Ltd revised up its investment fund by an additional US\$610 million (on May 13, 2021).

Also according to FIA, optimistically, more FDI projects registered with over US\$50 million. FDI projects are aiming for higher added value, generating ripple effects and bringing Vietnamese enterprises into supply chains and value chains.

**Long-term outlook**

With the shift in response to the COVID-19 pandemic, Vietnam's economy will recover strongly and FDI inflows to Vietnam will rebound in the near future. The FDI value in 2021 may be as much as US\$28 billion in 2020.

The above assertion is completely grounded when the Government and relevant agencies have promptly stepped

in and introduced many solutions and policies to remove difficulties and obstacles for businesses and investors. In particular, Resolution 128/NQ-CP dated October 11, 2021 on temporary regulations on Safely and flexible adaptation and effective control of the COVID-19 pandemic has really removed barriers in the business recovery stage for enterprises.

In the year, many large FDI projects have been invested in Vietnam. SK Group of South Korea decided to pour US\$340 million to purchase a 4.9% stake in The CrownX - the owner of the WinMart and WinMart+ store chains, further affirming



*As many as 100 countries and territories invested in Vietnam in the first 11 months of 2021. Singapore was the biggest investor with over US\$7.6 billion, accounting for 28.7%, followed by South Korea with US\$4.36 billion, accounting for 16.5% and rising 17.6% from a year ago. Japan ranked third with US\$3.7 billion, up 54%, followed by China, Hong Kong (China) and Taiwan (China).*

its interest and ambition in the Vietnamese market. Just from October 1 to date, Long An has awarded investment certificates to 15 new projects in industrial zones of the province, leading the country with 35 FDI projects.

Most recently, on December 8, LEGO Group signed a memorandum of understanding (MoU) with Vietnam Singapore Industrial Park Joint Venture Company Limited (VSIP) to build a new factory in Vietnam. The project, costing more than US\$1 billion, is expected to be deployed in the second half of 2022 and start operation in 2024, and employ 4,000 workers. This is the sixth LEGO factory in the world and the second in Asia, showing the attraction of the Asian market in general and Vietnam in particular.

In addition to receiving new investment projects, many localities are also preparing new premises and creating the best conditions to welcome big investors. Infrastructure projects are also accelerated to welcome investors. Some localities such as Bac Ninh, Long An and Binh Duong have developed a new model to execute Resolution 50 of the Politburo on institutional and policy improvement, quality and efficiency of foreign investment cooperation to 2030.

The prospect of FDI inflows to Vietnam appears to be very positive. The Government's official announcement of the national list of projects seeking foreign investment in 2021 - 2025 is a way to further open the door to welcome foreign capital flows. This information is further reinforced when high-ranking Vietnamese delegations usually combine investment promotion during their trips abroad. Their message is that Vietnam always appreciates and facilitates investors to do business effectively and sustainably in Vietnam. ■

## BRIGHT PATH FOR VIETNAMESE AGRICULTURAL PRODUCTS

Vietnamese agricultural products are increasingly popular in many countries around the world. Boosted by the right strategies and steps though, Vietnamese agricultural products will still need to be more heavily processed, ensure quality, and meet international requirements and standards in the coming time.

**I**n 2021, the export value of agricultural, forest and aquatic products was expected at US\$47.5 billion (higher than the initial plan of US\$42 billion).

### From Son La's success story


Before 2018, Son La province faced a lot of difficulties in agricultural development. After adopting a policy on fruit development in sloping terrain, the locality was seen as a "phenomenon" in economic development in Northwest provinces. At present, Son La is the largest fruit producer by acreage in the North and has achieved initial success in seeking foreign markets for its export-driven agricultural production.

In 2020, Son La agricultural sector earned nearly VND7,600 billion from nearly 80,000 ha of fruit trees, which harvested nearly 337,000 tons of fruit. Of this area, the safer production process was applied on more than 17,500 ha, while over 4,700 ha were granted 181 area codes, and 21 products were granted protection certifications.

Besides typically local agricultural products known well by domestic consumers, many agricultural products of Son La province, including mangoes and longan, have penetrated demanding markets such as the United States, Australia and the European Union (EU).

In addition to food security criteria, Son La pays close attention to agricultural trade promotion, market search and expansion. As a result, up to now, Son La's agricultural exports have been expanded to many more countries.

Building a high-tech agricultural area is a special goal of Son La. Resolution 07-NQ/TU dated January 21, 2021 of the Provincial Party Committee on investment attraction in 2021-2025 defines the goal of building and shaping eight high-tech agricultural areas and studying the roadmap for building the National Research Center for Agricultural Science and Technology.

With the above goals, Son La advocates attracting businesses to invest in developing clean agriculture, organic agriculture, and high-tech agriculture on a large scale; strengthening research, application and transfer of advanced 



technologies, improving the quality of key local products along the value chain and building, developing and protecting brands, meeting domestic market demands and seeking exports to create products and services of high productivity, quality and competitiveness.

Ngoc Hoang Agricultural Cooperative (Mai Son district) is one of the typical agricultural production and trading cooperatives of Son La province. Mr. Nguyen Quang Vinh, Director of Ngoc Hoang Agricultural Cooperative, took the lead in cultivating red dragon fruit trees in Son La. Currently, the cooperative has 200 ha of dragon fruit in Mai Son and Thuan Chau districts.

With a scientific approach and strict adherence to given processes, the cooperative's dragon fruit farms have been granted VietGAP Certificate by the Agro-Forestry-Fisheries Quality Management Agency of Region 1.

Cooperatives and businesses need synchronous investment, especially in preliminary and processing systems to export products to fastidious markets, he said. Previously, in order to export dragon fruit, the cooperative had to carry its products to Hanoi for washing and packing, which resulted in higher costs.

### **Making inroads into demanding markets**

Vietnamese agricultural products have continuously made impressions on the export map in 2021. For example, according to the Import-Export Department under the Ministry of Industry and Trade, Vietnam is the 11th largest vegetable supplier of processed fruits for the United States in the first nine months of 2021, earning US\$171.9 million, up 49.9% from the same period in 2020. Vietnam accounted for 2.3% of the US's total import value in this field, up 0.5 percentage points from a year earlier.

Vietnamese agricultural products are also increasingly popular in Europe. In Germany, Vietnam is currently No. 1 supplier of cashew nuts thanks to stable output and guaranteed quality. The country is also the largest supplier of coffee in Russia in volume and ranks second in value after Brazil. In the first nine months of 2021, Russia imported over 61,000 tons of coffee worth US\$116 million from Vietnam, down 8% in volume but up 4% in value over the same period in 2020.

Dr. Nguyen Van Nam, former Director of the Vietnam Institute of Trade Studies (Ministry of Industry and Trade), affirmed that these are good signs as this proves that many Vietnamese agricultural products are increasingly conquering customers from all over the world, especially fastidious markets, thanks to new strategies and attention to quality and processing.

More than a decade ago, according to experts, despite being an agricultural country with many products favored by the world, Vietnam could not earn high value on its exports because their shipments mainly came in raw forms. In particular, for many years, Vietnam's agricultural exports have been easily accepted by the neighboring Chinese market. This is also a reason for the

slow transition of Vietnamese agricultural products to high quality and modern standards.

"In recent years, Vietnam has mobilized farmers and businesses to shift to produce quality agricultural products that meet market standards and consumer tastes. Notably, the appeal of such markets as the U.S., the EU, Japan and South Korea has inspired Vietnam to upgrade its agricultural products, albeit slowly. This transformation comes from market requirements, with first of all starting with China," he added.

Equally importantly, there are also changes in the Vietnamese agricultural strategy to China.

In 2021, many talks on sustainable agricultural export and promotion to China were held by the Ministry of Agriculture and Rural Development and other agencies.

At a conference in November 2021, Minister of Agriculture and Rural Development Le Minh Hoan said that the most important thing now is to research and grasp information about Chinese market demands and consumer cultures and countries with given similarities to China. He requested overseas Vietnamese representative agencies to assist in searching information, thus advising an effective strategy for agricultural trade promotion.

From the perspective of ministries, sectors, localities and businesses, he emphasized the need for coordination in building an overall strategy and action plan to boost agricultural and seafood export to China, speed up digital transformation in agriculture to match supply and demand data and promote logistics centers enabled by public-private partnerships.

Backing these actions, Dr. Nguyen Van Nam noted that Chinese consumers also have a demand for high-quality agricultural products. By clearly being aware of this with high determination, Vietnamese agricultural products can compete with their competitors in the world, and can be exported to China or any fastidious market.

"As for rice, instead of focusing only on volume, we have exported a lot of premium rice and high-quality fragrant rice. As a result, although the volume has decreased this year, the export value has increased. In addition to rice, Vietnamese companies are exporting rice-processed products which diversify approaches of Vietnamese agricultural products to foreign consumers. For example, when exporting vermicelli and dry noodles to Europe, Vietnamese companies immediately give specific instructions on how to use right on the label," he noted.

Besides quality, agricultural products need processing and packaging, which help raise their value and competitiveness on the market.

"Changes in the past few years are only the first step. To enable Vietnamese agricultural products to go far and achieve more success, the Ministry of Agriculture and Rural Development, the Ministry of Industry and Trade, and the Ministry of Science and Technology need to accelerate transformation, encourage, support and guide farmers and businesses," he emphasized. ■

# MANY EXPORTS RECOVER RAPIDLY

Faced with enormous pressures from the COVID-19 pandemic, exports in 2021 not only stood firm but also staged a strong recovery with many outstanding achievements.

HUONG LY

## Pent-up demand

Vietnam's export value contracted continuously during the third quarter, causing most businesses and industry associations to worry about export failures this year. However, in just two months of "new normal" conditions, many exports have regained their stunning performance, and even completed their full-year targets sooner than expected. This robust growth was attributed to pent-up demand which works like a spring: The more it is pressed, the stronger rebound it generates.

Among the best performers this year is agricultural products. According to the Ministry of Industry and Trade, the agricultural export value was estimated at US\$25.19 billion in the 11 months of 2021, up 11.4% year on year. Particularly, cassava exports expanded 64.7% in value and 47.1% in volume. Rubber, cashew nut and vegetable shipments also grew 40.5%, 44% and 8.6% in value, respectively.

This year's seafood export value may reach US\$8.7 billion, higher than the full-year target of US\$8.5 billion. Aquaculture was estimated to harvest 4.75 million tons, an increase of about 4.17% over 2020.

Pangasius exports also regained growth after three months. All production and business activities were paralyzed by the COVID-19 pandemic. In November alone, pangasius exports jumped 50% to bring the expected full-year value to US\$1.54 billion in 2021. According to a representative of the Vietnam Association of Seafood Exporters and Producers (VASEP), Resolution 128/NQ-CP of the Government that changes the pandemic prevention strategy from "Zero COVID" to "safe and flexible adaptation, effective control of the COVID-19 pandemic", effective from November 11, 2021, has enabled seafood exporters to be more active and flexible in production and business and boost up exports.

The textile and garment industry also recorded a high export growth, estimated to rise 11.2% year on year to US\$39 billion in 2021, which is even higher than the value in 2019 when COVID-19 had not emerged. Mr. Truong Van Cam, Vice Chairman of the Vietnam Textile and Apparel Association (VITAS), said that the wide outbreak stalled manufacturing and business activities of most companies and made them almost unable to fulfill orders signed with their partners. Their business operations recovered only when Resolution 128/NQ-CP took effect.

Mr. Tran Thanh Hai, Deputy Director of the Import-Export Department under the Ministry of Industry and Trade, said, after three years of enforcing the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and more than a year of executing the European Union - Vietnam Free Trade Agreement (EVFTA), businesses have effectively taken advantage



**The textile and garment industry records a high export growth, estimated to rise 11.2% year on year to US\$39 billion in 2021**

of opportunities generated by these new-generation trade pacts. The CPTPP has increased exports to Canada, Mexico and Peru by 25 - 30%. Or with EVFTA, approximately 20% of exports are entitled to incentives after being granted the EUR1 certificate of origin (C/O), which is a very significant rate. For example, footwear exports brought home US\$14.06 billion in 10 months, up 3.9% year on year. Currently, footwear export is being boosted by the EVFTA Agreement, he said.

Steel was the best performer this year as it recorded a 136.6% growth, bringing the export value to US\$10.27 billion. According to the Vietnam Steel Association (VSA), the unexpected export growth was driven by the soaring demand from Europe, the US, ASEAN and China. In four consecutive months from July 2021, iron and steel exports exceeded US\$1 billion a month, peaking US\$1.219 billion in October.

Strong resilience and recovery of many exports have produced an impressive performance in the past time. In the first 11 months of 2021, the total export value was forecast at US\$299.67 billion, up 17.5% year on year. The country saw seven items bring home more than US\$10 billion. The export and import value was expected to set an all-time high of US\$640 - 645 billion this year.

## Optimistic forecasts

Dr. Can Van Luc, an economic specialist, forecast that Vietnam's exports may reach US\$330-336 billion in 2021, up 17-19% over the previous year. In 2022, the total import and export value may rise by 13-15%.

Mr. Nguyen Quoc Toan, Director of the Department of Agricultural Product Processing and Market Development under the Ministry of Agriculture and Rural Development, estimated that agricultural exports will continue to grow until the end of the first quarter of 2022 on growing demand in major markets.

Ms. Le Hang, Deputy Director of VASEPPRO Center under VASEP, hoped that pangasius exports will bring home US\$1.54 billion as expected in 2021, a slight growth of 3% over 2020. In 2022, the growth is expected at 7% to reach US\$1.65 billion. Pangasius exports kept rising as free trade agreements continued to be an important lever for trade promotion to many markets, especially small but potential ones like Mexico, Brazil, Russia, Colombia and Thailand.

VITAS worked out three target scenarios for 2022, Mr. Cam said. In the most positive scenario, the garment and textile export value will reach US\$42.5-43.5 billion. The value will be US\$40-41 billion in the moderate scenario and US\$38-39 billion in the worst scenario. Thus, the textile and garment industry is very confident about the export performance next year even in the lowest scenario.

Steel exports will be still very strong in December 2021 because short steel and cement supply from China may persist till the first quarter of the next year. Other driving markets such as Europe (EU), the US and ASEAN are signaling rising demand for steel imports to serve the economic recovery during and after the pandemic. ■

According to real estate experts, in 2021, the cash flow into the market is abundant and the demand is large. The market rebound has just been waiting for the pandemic to be controlled to become very fast, while the decrease in real estate supply has greatly influenced real estate prices.



The country's real estate market has seen positive signs for recovery following the economic reopening

# SKETCHING PICTURE OF VIETNAM'S REAL ESTATE MARKET IN 2021

## The real estate market is like a compressed spring

At the Vietnam Real Estate Conference 2021 (VRES 2021) recently organized by batdongsan.com.vn, many experts gave their opinions on the real estate market in 2021.

According to Mr. Nguyen Quoc Anh, Deputy General Director of Batdongsan.com.vn, the demand for real estate in Vietnam is like a compressed spring.

"In the past two years, the market has formed a remarkable rule that after each COVID-19 wave, the level of interest in real estate recovered and developed

strongly, reflecting the high demand for the real estate market," said Mr. Quoc Anh.

According to data from Batdongsan.com.vn, after the first wave of the COVID-19 pandemic, the level of interest in real estate increased by 306%, after the second wave, it increased by 62%, after the third wave the increase was 376% and the increase in the fourth wave was 105%.

To prove the above statement, Mr. Quoc Anh compared with the demand for real estate in 2019 (before the pandemic took place), almost all 2021 had higher demand than 2019.

Specifically, the demand for searching real estate in

Hanoi accounted for 40%, while Ho Chi Minh City accounted for 29%.

"This is a rather unexpected shift after this pandemic. Previously, the Southern region and Ho Chi Minh City received great attention, but from 2020 to now, there has been a big shift, the investment cash flow has signs of shifting from the South to the North," added Mr. Quoc Anh.

### **Apartments and land plots receive the greatest attention**

Among the types of real estate searched in 2021, apartments accounted for 25% and land accounted for 20%. Regarding apartments, the supply trend has decreased in 2021, the number of new projects posted on batdongsan.com.vn has decreased.

Looking back at the picture of the real estate market in 2021, Mr. Quoc Anh said: "The cash flow into the market is abundant, the demand is large and the market rebound has just been waiting for the pandemic to be controlled to become very fast, while the downtrend of real estate supply has great impacted real estate prices."

Mr. Quoc Anh also added that the interest in the market had increased sharply, but the total demand of the market had decreased, causing the real estate to continuously set new price levels. The selling price of Hanoi apartments has increased from an average of VND32 million/m<sup>2</sup> (in 2019) to VND34 million/m<sup>2</sup> (in 2021). The selling price of apartments in Ho Chi Minh City also increased from an average of VND32 million/m<sup>2</sup> (in 2019) to VND36 million/m<sup>2</sup> (in 2021).

The selling price of private houses in Hanoi increased from VND89 million/m<sup>2</sup> (in 2019) to VND103 million/m<sup>2</sup> (in 2021). The selling price of private houses in Ho Chi Minh City also increased from VND97 million/m<sup>2</sup> (in 2019) to VND103 million/m<sup>2</sup> (in 2021).

"Apartment is a type of real estate which has stable interest and has an impressive recovery in 2021. Specifically, the number of people interested in this type of property at the end of the year has increased and is equal to the level in May 2021 (before the fourth wave of COVID-19), reflecting a very good recovery of the apartment market and the number of interested people has returned to the level before the pandemic. The apartment price is increasing by 2-8% depending on the area. The demand increases, supply is limited, leading to an upward trend in the price level," said Mr. Quoc Anh.

Regarding private houses and townhouses, there have been opposite fluctuations between Hanoi and Ho Chi

Minh City. About 2-3 years ago, the demand for this type of real estate was high in Ho Chi Minh City. Since the COVID-19 pandemic appeared, the level of interest in Hanoi for townhouses for sale has increased by 42% and for private houses up 17% compared to 2019.

Thus, it reflects the positive number of people interested as well as the demand for this type of property in Hanoi. And in Ho Chi Minh City, the level of interest in townhouses and private houses for sale has decreased by 33% compared to 2019.

The reason for this change is that 31% of people searching in Ho Chi Minh City were from Hanoi in 2018, by 2021 it is only 6%. Investors from the North have withdrawn capital from Ho Chi Minh City and the South to the North due to the influence of the COVID-19 pandemic, difficult traveling, stagnant production, and reduced expectations.

About the second factor, the price level of Ho Chi Minh City tended to increase strongly from 2017 - 2019 (up 30%), while it only increased 5% in Hanoi.

The cash flow moving to the North has sharply increased the price of apartments and townhouses. Until now, this trend is still continuing.

Besides, the rental market for private houses and townhouses has the same trend of decreasing interest in both Hanoi and Ho Chi Minh City. Due to the COVID-19 pandemic, many enterprises have halted their business, and the cost of premises has become a burden. This has created great pressure on the rental market for private houses and townhouses.

The selling prices for private houses and townhouses have both increased in Hanoi and Ho Chi Minh City, but the prices in Hanoi have increased much more than in Ho Chi Minh City in 2021. Specifically, in 2021, the selling price of private houses in Hanoi has increased by 12% compared to 2020, while in Ho Chi Minh City, it has increased only 2%. Meanwhile, the selling price of townhouses has increased by 16% in Hanoi and up 8% in Ho Chi Minh City.

Regarding land plots, in the period of March - April, there was a fever in the property market, when the number of people looking for planning information was high. By the end of 2021, the number of people searching for planning has been equal to 80% of that at the beginning of the year.

"Along with a good amount of interest, the land market in the Northern, Central, and Southern regions has fluctuated well, and the price level has increased," said Mr. Quoc Anh. ■



# TRANSPARENCY AND GUARANTEE OF INVESTORS'

It is necessary to focus on protecting investors' interests and improving public transparency to draw private funds into infrastructure.

HUONG GIANG

## **Publicity and transparency needed**

Vietnam has 336 public-private partnership (PPP) contracts with a total investment value of VND1,600 trillion (US\$71 billion), approximately equal to the total public investment in five years from 2015 to 2019, Dr. Vu Tien Loc, Chairman of the Vietnam International Arbitration Center (VIAC), said. However, recently, some projects have

caused public outrage, including Cai Lay - Tien Giang BOT and Thu Thiem BT. Harsh public reaction is one of the reasons why the cash flow into PPP has been delayed for many years.

Mr. Loc said that one of the main reasons for public anger to PPP projects is that the government has not introduced an input mechanism for public opinion. Therefore, he suggested adding a provision on collecting public



## INTERESTS NEEDED

opinion before deciding and signing a PPP contract.

He proposed the drafting agency add information to be obligatorily disclosed, for example, publicity of PPP contracts and annexes except for contents specified as state secrets and intellectual property (this information will be redacted); publicity of project appraisal reports, publicity of project activity reports, and periodical disclosure of project output and revenue.

Specifically, the agency that submits or decides investment must collect public opinion by posting related information on its website at least 60 days before

submitting it to competent authorities for making an investment decision.

If a project collects revenue directly from users, the submitter or the decision-maker must send a written consultation to affected subjects or their representative organizations. For example, a road project needs to consult transport firms, transport associations and impacted people. An airport project needs to consult aviation businesses.

Information provided for public opinion must include project fundamentals, benefits to users, fee/price, application time, pre-feasibility study report, feasibility study report and draft contract. Opinions on the project must be summarized, explained and sent to competent contract-signing entities or persons.

### Guarantee of investor interests

He added that many investors have complained about the lack of respect for PPP contracts from governmental agencies, some of which requested investors against their contracts. In addition, some gave an excuse that they are not bound to their unsigned contracts.

“This causes a lot of trouble for investors because they take time to give explanations to governmental agencies about laws and contracts. More dangerously, this makes the investment environment for PPP projects in Vietnam very risky and difficult to attract investors,” said Loc.

Marking solutions, Mr. Loc suggested that the drafting agency supplement the regulation that governmental agencies and officials, whether they sign PPP contracts or not, must respect them and responsibly fulfil contractual commitments. He also added that it is necessary to protect investor interests, not only when laws are in effect but also when they are changed. This is of great concern for investors, given the changing context of Vietnamese laws.

The provision on investment guarantee is specified in Article 13 of the Law on Investment when laws are changed. However, this ruling is only defined as changes in legal documents on investment incentives. Meanwhile, PPP projects always require much higher stability in the investment environment.

For that reason, Mr. Loc proposed the drafting agency add a clause on investment guarantee in case of law changes, built on three principles: First, if new rules give higher benefits and incentives, investors can apply new legal documents; second, if new issues are detrimental to their legitimate interests, investors may apply the old rules (excluding laws on national defense, national security, social order and safety, social ethics, community health and environmental protection reasons); and third, if these exclusions are enforced, investors will be compensated. The investor must make a written request within 3 years from the effective date of the new legal document. ■



## OCOP PROGRAM

# Driving Force to Elevate Kien Giang's Product Brands



Delegates visit the booths introducing local OCOP products

With the participation of the whole political system and the efforts of businesses, cooperatives, and people, up to now, the One Commune One Product (OCOP) Program in Kien Giang province has obtained very encouraging results, becoming a far-reaching movement and a driving force for rural development. The province has innovatively and effectively adopted many good models, contributing to enhancing the province's strong products in both quality and quantity. The added value of the product has also been significantly improved, and the local people's income and quality of life have been increasingly improved.

**CONG LUAN**

### Encouraging effect

With the determination to bring typical products with local strengths to the OCOP Program, over the past time, Kien Giang province has concretized and effectively implemented many guidelines and policies such as encouraging enterprises to invest in agriculture and rural areas; supporting production and consumption; encouraging investment in agricultural development with high technology application. In the development of OCOP products, relevant levels and sectors have actively called on OCOP product subjects to clearly define the contents in product development, to not develop products rampantly, to not take quantity but focus on quality with typical and strong products. The province has supported economic organizations and business households to implement regulations related to food safety, the process of implementing procedures for registration and announcement of product quality. It has also supported cooperatives, cooperative groups and business households to build safe production models according to VietGAP and organic standards; and deploy the OCOP evaluation criteria to local entities. The close and timely direction and guidance of all levels and sectors have helped localities in the province see their potential and strengths more clearly so that they can proactively deploy appropriate policies and solutions to develop OCOP products, especially the preservation and development of traditional local industries.

As a result, in February 2021, the People's Committee of Kien Giang province issued a decision to recognize 18 products of 11 subjects of the OCOP Program in Kien Giang

province in 2020, of which ten products were rated four stars and eight products were rated three stars. In terms of product structure, there were nine products in the food group, five in the handicraft - decoration group, three in the beverage group and one in the herbal group. Specifically, these products included Nang Huong Kim Thien Loc rice, Kim Thien Ngoc red rice of Rach Gia Organic Agricultural Cooperative (four stars); fish sauce with 30 degrees of protein, fish sauce with 40 degrees of protein of Khai Hoan Trading Joint Stock Company in Phu Quoc (four stars); eagle grass pot, bag and basket of Phu My eagle grass co-operative of women in Giang Thanh district (four stars); snakehead fish sauce of Tam Do business household in Ngoc Thuan commune, Giong Rieng district (three stars); and ground black pepper of Ngo Hoang Du business household in Thuan Yen commune, Ha Tien City (three stars). The province's OCOP products meet the needs of consumers and are accepted by the market, thereby contributing to the transformation of production toward the direction of increasing the scale associated with the value chain, raising the income for rural people, especially in remote and mountainous areas and ethnic minority areas.

Following the success, at the end of October, the Provincial OCOP Product Evaluation and Classification Council also held a conference to evaluate and classify products of the OCOP Program in the first Phase in 2021. Accordingly, the whole province had 13 out of 15 districts and cities that organized District-level OCOP Product Evaluation and Classification Councils with 29 participants (9



**OCOP product evaluation and classification council of Kien Giang province**



companies, 6 cooperatives, 14 production and business households). Regarding the products of the participants, there were 40 products in the food industry, 13 handicraft and decorative products, and 6 products in the beverage industry. Through the evaluation of documents, there were 57 out of 59 products that met the requirements and were eligible to participate in the first phase of the OCOP product classification assessment in Kien Giang province in 2021.

In addition to the recognition of products under the OCOP Program, in October 2021, the People's Committee of Kien Giang province also issued the Decision on recognition of typical rural industrial products of Kien Giang province for the sixth time in 2021. Accordingly, the province recognized and granted the certificate of "Typical rural industrial products of Kien Giang province for the sixth time in 2021" with 143 products and sets of products, in which, the handicraft products group had 28 products; the processed agricultural, forestry, fishery and food products group had 99 products; the equipment, machinery, tools and mechanical parts group had 11 products; and the other product group had 5 products.

## Strengthening trade promotion

According to Ms. Nguyen Duy Linh Thao, Director of Kien Giang Investment, Trade and Tourism Promotion Center, with its assigned functions and tasks, over the past time, the Center has supported many business households, cooperatives, enterprises to carry out legal procedures so that typical products, traditional products and goods with local characteristics have collective marks or exclusive marks; supported many famous products and goods of the province with geographical indications, products and goods associated with traditional craft villages, key agricultural and aquatic products at district and provincial levels to be well consumed.

Clearly defining trade promotion as an important step in the OCOP cycle in order to bring products to consumers and make OCOP products the typical brand of each region and locality, the Center has focused on boosting the marketing and trade promotion of key and typical products of the province with a variety of activities, through domestic and international fairs and



**Many of local products are available in the international market**

exhibitions; communication programs, conferences, seminars and forums connecting consumption; organizing survey programs, updating domestic and international market information related to OCOP products; and mobilizing local businesses and cooperatives to participate in displaying and introducing key products of the province at fairs and exhibitions of provinces and cities across the country to expand markets and connect trade. Through promotions, Kien Giang's OCOP products have become very popular with consumers because of their diverse designs and outstanding quality, as well as dedicated support to customers when needed. More importantly, through promotions, it has contributed to creating conditions for OCOP establishments to have the opportunity to promote, introduce, and gradually build brands and raise the value of their products; while helping consumers have the opportunity to access, understand and use quality products. This is also an opportunity for Kien Giang OCOP products to access the domestic market and export to other countries.

When making the overall assessment of the OCOP Program, Ms. Nguyen Duy Linh Thao said that up to now, the program has created a substantial effect, attracting participation and promoting the role of economic actors in the complete upgrading of products according to market demand and restructuring economic organization in the direction of linkage. OCOP products have closely followed the requirements of the OCOP Program, and meet the needs of consumers for unique products, tradition, quality, traceability and geographical indications. These products are accepted by distribution enterprises and the market, thereby contributing to the transformation of production in the direction of increasing scale associated with value chains, improving incomes for rural people, especially in remote areas, border areas, islands and ethnic minority areas. Especially after being evaluated and granted the OCOP product certificate, the producers continue to upgrade technology, improve designs in





association with improving product quality so that their star certificates can be upgraded in the near future. The province has also strengthened its support for propaganda, trade promotion, and marketing of OCOP products with a variety of activities; creating motivation for entities to promote production and business development, creating jobs and improving incomes for local workers, contributing to economic development in rural areas; at the same time, creating a positive spillover so that the OCOP Program will continue to be deployed more strongly in the coming time.

### Linking the OCOP Program with rural tourism development

On August 13, 2020, Vice Chairman of Kien Giang Provincial People's Committee Lam Minh Thanh signed and issued Plan 118/KH-UBND on the implementation of the OCOP Program Project in 2020 and in the period 2021 - 2025 in the province. The main objective of the Project is to develop high-quality goods with characteristics and advantages of each locality to effectively implement the OCOP Program. It also includes developing forms of production and business organization in the direction of increasing benefits for the community, contributing to rural economic development in the direction of increasing product value and increasing income for people.

According to the plan, in the period 2021-2025, Kien Giang province will evaluate, grant accreditation and develop at least 120 new and existing products (an average of eight products/district and city) with three stars or more, in which there are at least 25 products that meet provincial five-star product standards and strive to have at least 10 products recognized as national-level five-star products. The province will identify 10 - 20 OCOP products of economic organizations to participate in the value chains in localities from the capital of the National Target Program on New Rural Development to develop and commercialize traditional products.

With the specific goal of implementing the OCOP Program in the 2021-2025 period, Kien Giang province will pay special attention to the development and implementation of projects exploiting agricultural strengths (agricultural products, fisheries, handicrafts and decorative products, traditional craft villages) in combination with tourism development of the province. Accordingly, on September 6, 2021, the Chairman of the Provincial People's Committee signed and promulgated Decision 2141/QĐ-UBND approving the Outline of the Project "Development of rural tourism in association with the OCOP program in Kien Giang province in the period 2021-2025, with an orientation to 2030". The research objectives of the Project include: rural tourism and the OCOP Program of Kien Giang province, specifically tourist attractions and community tourism services of businesses, cooperatives, cooperative groups, and individuals, the households that have registered their businesses with the competent authority. The task of the Project is to identify the potential and current situation of rural tourism development in Kien Giang province; identify the potential for rural tourism development in association with the province's OCOP Program; assess the potential for rural tourism development associated with the OCOP Program in Kien Giang province; and propose solutions to develop rural tourism in association with the province's OCOP program.

The rural tourism development project associated with the OCOP Program is implemented with the expectation that it will effectively promote local values in order to exploit the potential of agriculture and tourism in Kien Giang province in a sustainable way, contributing to the successful implementation of the National Target Program on New Rural Development; promoting and improving the quality and value of products of the OCOP Program. ■

# Significant Investment Attraction in Thua Thien Hue in 2021

Investment promotion is always a major concern of the Provincial Party Committee, the Provincial People's Council, the Provincial People's Committee and all-tier authorities of Thua Thien Hue province. The local investment environment has been gradually improved toward increased publicity and transparency. Thua Thien Hue Provincial People's Committee has provided all necessary information for all projects seeking investment funds.

**I**n 2020 and 2021, investment promotion was adversely hurt by the COVID-19 pandemic across the country, including Thua Thien Hue. To keep investment promotion uninterrupted, the province has boosted digital data and expanded domestic and international cooperation to apply both online and offline forms of investment promotion, with priority given to the online form. Hence, despite the complicated pandemic development, the province has still achieved positive results in investment attraction.

In the year to November 30, the Provincial People's Committee licensed 25 investment projects valued more than VND12,524 billion, including 23 DDI projects with VND8,893 billion of investment capital and two FDI projects with US\$158.5 million (VND3,631 billion). The two



**The Department of Tourism of Thua Thien Hue province, Smart Media City Co., Ltd, Phu Bai International Airport sign an MoU on cooperation in local tourism and investment promotion**

giant FDI projects included Thua Thien Hue Software and Information Technology Park (Smart Media City) in Section B - An Van Duong New Urban Area invested by a joint venture between SMC Hue Co., Ltd and Korea Land and Housing Corporation (LH), and a current transformer manufacturing project (China).

Indeed, these results are quite modest as compared to other provinces and cities but significantly higher than in 2020 (VND10,963 billion). Given the complicated COVID-19 pandemic development and its highly opened economy, service and tourism of Thua Thien Hue province have been almost "frozen" for nearly two years. Mobility was restricted while investment promotion programs were delayed and canceled. Despite a sharp decline in arrivals, market surveys by domestic and foreign investors showed a significant effort of the province.

In the coming time, in addition to flexible, creative and safe adaptation to the COVID-19 pandemic and boosting socio-economic recovery and development, the province will further apply solutions to develop investment promotion to achieve more positive results. ■





# VINH PHUC EXCEEDS THE TARGET OF ATTRACTING FDI CAPITAL



Overcoming difficulties and impacts of the COVID-19 pandemic, especially with solutions to improve the investment environment, Vinh Phuc has continued to assert itself as a destination for investors as it exceeded the target of attracting DDI capital by the end of the second quarter and the target of attracting FDI capital by the end of the third quarter for the whole year of 2021.

HOANG THAM

According to the report of the Provincial People's Committee, by the end of October, the province attracted 426 FDI projects, with a total registered investment capital of US\$7.1 billion; 822 DDI projects with a total investment capital of more than VND106.4 trillion. The investment projects came from 20 countries and territories around the world. According to the businesses, Vinh Phuc has been an attractive destination for investors thanks to three factors: Geographical location, favorable natural conditions; quality of technical infrastructure and services to support investors of industrial parks; the determination and companionship of the authorities at all levels in attracting investments, promptly removing difficulties and obstacles for investors. In particular, in the context of the COVID-19 pandemic, the province has promptly taken measures to both prevent the pandemic and protect the safety of production and business activities; giving priority to vaccination for experts and workers. The provincial leaders often have working sessions, dialogues and checks, and offer encouragement and sharing with businesses.

At the end of July 2021, the province established a working group to assist the Chairman of the Provincial People's Committee to remove business difficulties. The working group has focused on building a new investment process, reducing by about 20% the time to handle administrative procedures; strengthening online administrative procedures to help foreign-invested enterprises that could not go directly to carry out investment procedures in the context of the COVID-19 pandemic.

Many investment promotion activities aimed at some major countries' markets have been organized in the forms suitable to the pandemic context. At the end of June 2021, the Provincial People's Committee collaborated with the Italian Chamber of Commerce in Vietnam (ICHAM) and the Vietnamese Embassy in Italy to organize a webinar

with the region of Tuscany, Italy with the theme: "Vietnam: race, dream, challenge - The Asian nation's opportunity in light of the recent Free Trade Agreements with the European Union"; and at the end of October 2021, the Provincial People's Committee coordinated with the German Chamber of Industry and Commerce in Vietnam to organize the Seminar "Promoting investment and business cooperation between Vinh Phuc, the Federal Republic of Germany and Europe".

In order to attract large investors from Europe, the United States, the Federal Republic of Germany, Vinh Phuc will continue to innovate investment attraction activities, ensure harmony between the interests of the state and investors and the people; improve the quality of projects to attract new investments in the direction of increasing the content of technology and technical labor. The province will prioritize industries that are embracing the industrial revolution 4.0 such as ICT industry, digitalization, nanotechnology, biotechnology, new environment-friendly materials, making great contributions to socio-economic development. Other priorities are projects capable of participating in global value chains; projects in the fields of electronic industry, telecommunications, mechanical industry, building materials, new materials and supporting industries of the manufacturing and assembling industries of automobiles, motorcycles and electronics; industrial park infrastructure development projects, tourism service projects, world-class universities and investment projects in service industries such as: finance, banking, insurance, healthcare and education - training.

The province will focus on attracting investment projects in industrial parks, improving occupancy rates in its industrial parks. It will associate industrial development with environmental protection; thoroughly deal with the environmental pollution in industrial parks and clusters; to step by step form regional industrial centers and encourage the attraction of supporting industry projects of the manufacturing and assembling industries of automobiles, auto parts and motorcycles. ■

# Rising Investment in Vinh Phuc IPs in November 2021

The Vinh Phuc Industrial Parks Authority granted new investment registration certificates to three projects in November 2021, including two FDI projects with a total registered investment capital of US\$1.0 million and one DDI project with VND126.3 billion, and allowed three existing FDI projects to add US\$12.95 million to their investment base. The total fresh and added investment fund was VND126.3 billion and US\$13.95 million.

NGUYET THAM

**A**s of November 15, 2021, valid investment projects in Vinh Phuc IPs totaled 409 projects, including 78 DDI projects with VND20,468.74 billion of investment capital and 331 FDI projects with US\$5,393.88 million. Among them, 339 projects are operational, accounting for 83% of total projects; 25 projects are under construction, accounting for 6%; 40 newly licensed projects are carrying out investment procedures, accounting for 10%; and five FDI projects are conducting operational termination procedures, accounting for 1%. The realized capital in November 2021 was US\$31.11 million and VND20 billion.

In November, the Vinh Phuc Industrial Parks Authority submitted the seventh review of Khai Quang Industrial Park construction plan; reported to the Provincial People's Committee the adjusted progress of Binh Xuyen Industrial Park and the revised area of Khai Quang Industrial Park (according to the master plan approved by the Provincial People's Committee in Decision 2928/QĐ-UBND dated October 22, 2021).

In addition, the Vinh Phuc Industrial Parks Authority removed difficulties and obstacles for businesses; opined the certification of ownership of

land-attached assets of Hai Thanh Vietnam Trade and Investment Joint Stock Company; responded to Liftec Vietnam Company about the proposed bidding for Phuc Yen Industrial Park Project; and guided An Thinh Company to apply for adjustments to infrastructure construction investment and operation project in Binh Xuyen Industrial Park.

In December 2021, the Vinh Phuc Industrial Parks Authority will license 3-5 new projects and issue revised investment licenses to 3-4 existing projects with a total registered investment fund of US\$5-10 million and VND1,650 -1,750 billion. It will continue to guide and support businesses to implement projects, which are expected to disburse US\$30-31 million and VND1,300 billion. About 2-3 more projects will be put into production in the month.

At the same time, it will continue to direct infrastructure developers to accelerate their investment progress in such industrial parks as Song Lo I, Song Lo II, Tam Duong I - Section 2, and Thai Hoa - Lien Son - Lien Hoa, Section 2 - Phase 1; and perform its assigned tasks in Chan Hung, Phuc Yen, Lap Thach I, Lap Thach II and Binh Xuyen II - Phase 2 industrial parks as directed by the Vinh Phuc Provincial People's Committee. ■





# EFFORTS TO REALIZE "DUAL GOALS" IN INDUSTRIAL PARKS



Overcoming difficulties and challenges caused by the COVID-19 pandemic, Vinh Phuc industrial parks continue to affirm themselves as safe and attractive destinations for investors. Vietnam Business Forum's reporter has an interview with Mr. **Nguyen Xuan Phuong**, Director of the Vinh Phuc Industrial Parks Authority, on solutions to realize the "dual goals" in Vinh Phuc province-based industrial parks. **Nguyet Tham** reports.

**Could you please briefly introduce the main solutions adopted by the Vinh Phuc Industrial Parks Authority in the fight against the COVID-19 pandemic to achieve the "dual goals" in industrial parks?**

An industrial park is a place where labor-intensive industrial manufacturing factories and stakeholders in production, supply and investment promotion chains are located. Therefore, when the COVID-19 pandemic broke out, industrial parks were considered the most contagious places. To effectively achieve the "dual goals" of preventing and controlling the COVID-19 pandemic and to maintain stable manufacturing operations in industrial parks, we closely followed COVID-19 prevention instructions of the Government of Vietnam and the Vinh Phuc Provincial People's Committee: Immediately setting up the COVID-19 pandemic prevention and control working group at the Vinh Phuc Industrial Parks Authority and a cross-sector inspection team on COVID-19 pandemic prevention and control at enterprises in industrial parks; organizing many online meetings on pandemic prevention and control for enterprises; requesting enterprises to sign and fulfill commitments on COVID-19 pandemic prevention and control; establishing steering committees and workgroups to cope with COVID-19 at enterprises; and urging and monitoring them to register for COVID-19 tests for all employees and testing highly exposed people.

Besides, we worked with relevant bodies and businesses to control and capture pandemic factors relating to foreign experts, migrant workers and people returning to Vinh Phuc from pandemic areas; coordinated in controlling freight transportation; managed drivers and assistant drivers by requiring enterprises to register weekly and daily freighting

plans; and cooperated with relevant agencies to inspect and urge enterprises to take measures to COVID-19 pandemic prevention. We directed, guided, inspected and urged enterprises to assess infection risks as per Decision 2194/QĐ-BCĐ dated May 27, 2020 of the National Steering Committee on COVID-19 Prevention and Control; grasped medical quarantine of experts and workers in industrial parks returning from pandemic areas; cooperated in checking electronic health declaration by scanning QR codes; worked out scenarios and plans for COVID-19 prevention and control for local industrial parks; adapted to the new normal with the COVID-19 pandemic in industrial parks; and urged and supervised enterprises to declare COVID-19 pandemic risks on the Antoancovid.vn Map; and acted as a lead agency to handle high-risk infection cases.

We also collaborated with the Department of Health to make a list of business executives and foreign experts working for tenants in industrial parks to request the Provincial People's Committee for early vaccination against COVID-19; synthesized a list of COVID-19 tests and distributed COVID-19 vaccines to tenants in industrial parks. We timely reported COVID-19 pandemic developments in industrial parks to the Provincial People's Committee, the Provincial Steering Committee for COVID-19 Prevention and Control, the Department of Health and relevant agencies; proposed solutions to difficulties and obstacles in the fight against COVID-19 pandemic.

**By effectively carrying out pandemic prevention and control measures, Vinh Phuc province-based industrial parks have achieved positive results in investment attraction and business development in the past months. Would you tell us more about these results?**

With our efforts in the fight against the COVID-19 pandemic, business investment in industrial parks has been kept stable and developed since the beginning of the year. In the first 10 months of 2021, the local industrial parks attracted 24 new FDI projects and witnessed 21 existing projects increasing their investment funds, totaling US\$930.49 million. We also licensed 12 new DDI projects and saw two existing projects adding their investment fund, totaling VND5,812.24 billion (US\$260 million). As of October 15, 2021, the industrial parks housed 406 valid investment projects, including 77 DDI projects with VND20,342.44 billion (US\$900 million) and 329 FDI projects with US\$5,379.93 million.

In the first nine months of 2021, FDI tenants made revenue of US\$4,901.48 million, up 4% year on year; earned an export value of US\$3,765.18 million, up 7%; and paid VND2,770.88 billion (US\$102 million) to the State Budget, up

3%. Despite facing difficulties in the way, DDI companies also endeavored to maintain stable business operations and gradually overcome difficult challenges to develop their manufacturing activity. Currently, tenants in industrial parks are employing 106,064 workers, including 72,469 local people, accounting for 68.3%.

**What are your main solutions to achieve the "dual goals" in industrial parks in the coming time?**

Although the pandemic has been controlled in Vinh Phuc province, we are always aware that industrial parks cannot make light of disease prevention. We regularly direct, inspect, urge and guide tenants to implement measures to prevent and control the COVID-19 pandemic: Further raising awareness of vigilance and self-protection against contagion risks in the community, strictly applying pandemic prevention and control measures in the new context and seriously respecting personal health protection guides recommended by health authorities.

We have continued to direct and guide tenants to keep the pandemic at bay; instruct the COVID-19 safety teams to strictly control highly exposed people from pandemic areas to take distancing or quarantine measures if necessary; urge tenants to work out response plans for safe, flexible adaptation to and effective control of the COVID-19 pandemic; and inform and encourage workers to reduce mobility to high-risk areas.

We have continued to improve physical facilities, human resources, medical equipment, drugs and biological products to expel the pandemic; regularly update pandemic developments and prevention outcomes in tenants and industrial parks; installed medicine cabinets and quick test facilities for better self-control of the pandemic; and coordinate in COVID-19 vaccinations for companies in industrial parks.

At the same time, we have continued to promote support and remove difficulties for them to apply COVID-19 prevention and control measures; send weekly freight plans to the Department of Transport and related units; and inform tenants to strictly follow COVID-19 pandemic prevention and control in the new context.

**Thank you very much!**

## Developing Industrial Parks in Association with Environmental Protection

The formation and operation of industrial parks (IPs) in Vinh Phuc province play an important role in promoting industrialization - modernization, contributing to increasing budget revenue, and creating more than 100,000 jobs. However, the rapid development of IPs has had a significant impact on the environment, requiring the IPs to build a standard wastewater treatment system and to comply with regulations of the law on environmental protection.

NGUYET THAM

With the viewpoint of "Not compromising the environment for economic benefits" of Vinh Phuc province, right since the beginning of the establishment of IPs, Vinh Phuc has determined that the development of IPs must go hand in hand with environmental protection, in order to create a sustainable investment environment in IPs. In recent years, in addition to promoting investment attraction and developing modern and synchronous infrastructure of IPs, the Vinh Phuc Industrial Parks Authority has paid special attention to environmental protection in IPs.

Currently, Vinh Phuc has 14 IPs that have been approved on investment policy/granted investment registration and establishment certificates with a total planning area of 2,773.948 ha, of which nine IPs have been put into operation. The IPs come into operation with full technical infrastructure for environmental protection, including rainwater drainage system, centralized wastewater treatment system (wastewater collection system, centralized wastewater treatment plant, wastewater drainage system), solid waste storage area, automatic wastewater monitoring system and other environmental protection technical infrastructure works.

Mr. Vu Kim Thanh, Deputy Director of Vinh Phuc Industrial Parks Authority, said: "In addition to urging and supervising investors building and operating IP infrastructure to invest, fully complete technical infrastructure for environmental protection, planting trees in IPs; over the past time, we have always paid attention and actively propagated and popularized the law on environmental protection, in order to raise awareness about environmental protection for businesses and investors of IP infrastructure. In addition, we regularly urge, inspect and closely supervise enterprises in environmental protection, prevention and response to environmental incidents in IPs, and promptly propose strictly handling violations of the law in the field of environmental protection in IPs. In general, investors and businesses in IPs strictly abide by the regulations on environmental law, basically, there are no enterprises that seriously violate environmental protection."

In the coming time, in addition to the task of promoting investment attraction and development of IPs, to ensure a sustainable development environment in IPs, Vinh Phuc will focus on promoting propaganda, dissemination and education of legislation, raising awareness and attitudes of environmental protection for businesses and IP infrastructure developers; at the same time, giving priority to attracting high-tech, modern projects that do not pollute the environment; resolutely refusing to receive and grant investment permits for outdated technology projects with a high risk of environmental pollution. ■





## Priority Given to Hi-tech Electronics Development

Vinh Phuc province has faced certain difficulties in attracting high-tech electronics investment projects in recent years. Therefore, the province has been redesigning its investment policies to attract high-tech electronics firms.

**BAO NGOC**

**T**he number of electronics investment projects approximated 200 in the province by the end of September 2021, accounting for 60% of technology projects in industrial parks. However, the locality attracted a few in 2011 - 2020, with only five foreign direct investment (FDI) enterprises licensed into this industry by the Ministry of Science and Technology. They mainly manufacture electronic components and take part in safe production chains. In 2010 - 2020, Vinh Phuc issued specific policies to boost this industry, including Resolution 57 of the Provincial People's Council on measures to investment attraction and business development support; Resolution 56 of the Provincial People's Council on support policies for supporting industrial projects in industrial parks; and Decision 47 of the Provincial People's Committee on business support for the implementation of supporting industrial projects in industrial parks. Nevertheless, the number of investors eligible for incentives is not many because they must meet many strict criteria. Up to now, no project or enterprise has received investment support under Resolution 57 of the Provincial People's Council.

Although Vinh Phuc has many special investment incentive policies for the high-tech electronics industry, the outcome has not come as expected. Meanwhile, the investment climate, infrastructure, services and workforce are not as good as expected by investors. To realize the goal of the Resolution of the 17th Vinh Phuc Provincial Party Congress (2020 - 2025 term): "Priority investment is to be given to high-tech electronics development to make Vinh Phuc an electronics hub of the country", Vinh Phuc will continue to selectively attract investment fund for local social, economic and environmental development.

In 2021-2030, Vinh Phuc will apply investment policies on high-tech electronics development to woo large corporations with a high-quality investment fund. Accordingly, the province will support infrastructure rents in industrial parks and the cost of making environmental impact assessment (EIA) reports for financially viable high-tech electronics investment projects to start production, apply high technology and leverage manufacturing in this field. ■

In recent times, the acceleration of investment attraction in Vinh Phuc's industrial parks (IPs) has brought many job opportunities for workers; however, it has posed great challenges in labor management for the local authorities. The Vietnam Business Forum had an interview with Mr. **Vu Kim Thanh**, Deputy Director of the Vinh Phuc Industrial Parks Authority about this issue. **Nguyet Tham** reports.

**Recently, Vinh Phuc IPs have attracted many investment projects, leading to an increase in the number of workers in the IPs. Therefore, the labor management in IPs will have many challenges, especially in the context of complicated developments of the COVID-19 pandemic. So what are those difficulties and challenges?**

Currently, Vinh Phuc IPs are creating jobs for over 100,000 workers. With the rapid development of IPs in the province, the demand for labor in IPs will increase. Therefore, the State management of labor in IPs also faces many difficulties in ensuring a harmonious, stable and developing relationship between enterprises and employees. Moreover, the number of foreign workers working in Vinh Phuc province is relatively large (about 27,000 people), while there is no worker housing in the area, workers mainly go home every day or stay in private boarding houses, so pandemic control for the labor force from outside the province is extremely difficult and complicated.

The recruitment of new workers for production and business activities of enterprises has also been affected because enterprises temporarily suspend the recruitment of workers from outside provinces, even areas that have not yet had the pandemic, to ensure safety for pandemic prevention and control. In fact, the qualifications and skills of workers in IPs are still low; the number of untrained workers and female employees still account for a high percentage, some enterprises and some employees have not yet strictly complied with the provisions of the State law in general and the labor law in particular. Therefore, this is really a difficult problem that requires the Vinh Phuc Industrial

# EFFECTIVE MANAGEMENT OF LABOR IN IPs

Parks Authority to solve thoroughly, in order to gradually improve the quality of human resources, and at the same time to help businesses stabilize human resources for production and to ensure income and living conditions for workers.

**So, in order for labor management in IPs to be highly effective, what specific activities and solutions have you implemented?**

In order to effectively manage labor in the IPs, over the past time, Vinh Phuc Industrial Parks Authority has promoted the propaganda, dissemination and education of the law for local employers and employees; paid attention to implementing welfare regimes and policies for employees; proposed Vinh Phuc province to build housing projects for workers and cultural institutions, serving the daily needs of workers. We have coordinated with professional agencies in enhancing training and fostering professional qualifications and job skills for employees; supporting and assisting enterprises in labor recruitment; well performed the prevention and control of COVID-19 in IPs, supported workers who are in difficulty due to the impact of the pandemic; strengthened the inspection and examination of the management and use of labor; and stepped up the application of information technology in labor management.

Simultaneously, we have promoted emulation and commendation, organized and launched movements of labor emulation, good production and business activities, promoted initiatives and technical improvements to enterprises and employees to create momentum to encourage enterprises and employees to enthusiastically strive for high achievements in working and production. With effective and practical solutions in labor management, in general, the quality of labor in IPs has been gradually improved. The enterprises in the IPs have strictly and fully complied with the regime for employees, properly resolving problems in labor relations.

**The situation of the COVID-19 pandemic is still complicated and unpredictable, and labor management in IPs will certainly face many challenges. In the coming time, what key tasks will you focus on implementing?**

The situation of the COVID-19 pandemic is still complicated, leading to many consequences, requiring us



to make great efforts and to promote their role, effectiveness and efficiency in the State management in general and the labor management in IPs in particular. In the coming time, we will continue to perform well a number of key tasks as follows:

We will closely monitor the production and business situation of enterprises, grasp the difficulties, obstacles and fluctuations of enterprises

due to the influence of the COVID-19 pandemic to promptly remove difficulties for enterprises to maintain stable production and business; continue to well implement the prevention and control of the COVID-19 pandemic; resolve the recommendations of enterprises, implement support solutions, remove difficulties and obstacles in order to improve operational capacity and competitiveness for enterprises, expand markets to boost production activities. For difficulties and problems, recommendations beyond our competence, we will summarize and propose competent authorities to direct and guide businesses to solve; coordinate with the Department of Labor, War Invalids and Social Affairs to continue implementing guidelines and policies on developing high-quality human resources. We will continue to survey the recruitment needs of enterprises in the IPs as a basis for consulting and propose to the province to develop training mechanisms and policies according to the needs of enterprises, have training forms according to the needs of enterprises. We will also strengthen linkage activities between State agencies, training institutions and enterprises in training and job creation to meet the increasing requirements of the quality of human resources; step up the work of guiding and supervising enterprises to build a harmonious, stable and progressive labor relationship in enterprises; strengthen propaganda and guide enterprises to implement policies, documents and laws; regularly innovate labor management methods to achieve the best efficiency, creating all conditions for enterprises to feel secure in production and business.

We will recommend the Provincial People's Committee to build housing and social institutions for employees; enhance the provision of information, propaganda, dissemination and education of labor laws for employees and employers, help employees to harmoniously settle their social relationships, and avoid conflicts in the relationship with their employers.

**Thank you very much!**



# ACTIVELY COMMUNICATING LAWS TO EMPLOYERS



The Vinh Phuc Industrial Parks Authority has stepped up communication, dissemination and education of laws to employees and employers in industrial parks; strengthened administrative reform; and simplified administrative procedures concerning labor management, thus creating a favorable business environment for investors in Vinh Phuc and ensuring the rights and obligations of employees and employers.

THANH LOAN

**M**r. Vu Kim Thanh, Deputy Director of the Vinh Phuc Industrial Parks Authority, said that as many as 406 valid investment projects were located in Vinh Phuc province-based industrial parks as of October 15, 2021, including 77 DDI projects with a total investment fund of VND20,342.44 billion (US\$900 million) and 329 FDI projects with US\$5,379.93 million. Tenants in

industrial parks are generating more than 100,000 jobs. Therefore, labor authorities have found it hard to ensure a harmonious, stable and growing relationship between employers and employees. Exercising labor administration in industrial parks, Vinh Phuc Industrial Parks Authority has coordinated with relevant bodies and localities to strengthen law communication, dissemination and education for employers and employees to uphold respect of the law.

The Vinh Phuc Industrial Parks Authority held six conferences to inform, disseminate and educate laws for employers and employees in industrial parks from October 26, 2021 to October 28, 2021, focusing on the Labor Code 2019, informing support policies for employees and employers affected by the pandemic, including the Labor Code 2019, the Law on Social Security, the Law on Occupational Safety and Health, Decree 152/2020/ND-CP dated December 30, 2020 on foreign workers in Vietnam, Resolution 105/NQ-CP of the Government on support for companies, cooperatives and business households in the context of the COVID-19 pandemic.

These events attracted about 300 tenants in industrial parks (a conference was designed for 50 delegates to ensure distancing to prevent COVID-19 pandemic contagion). Speakers exchanged and answered questions concerning the Labor Code as well as entry, pandemic prevention and support for workers and employers raised by companies in industrial parks.

In the coming time, in order to further improve labor administration, ensure legitimate rights and interests of employees and employers in industrial parks, the board will focus on making good plans and forecasts on short-term and long-term demand for human resources in industrial parks. It will encourage tenants to build a harmonious, stable and progressive labor relationship; inform and guide them to implement policies and laws; and regularly reform labor management to make them feel secure in business. ■

## BINH XUYEN II IP

# ATTRACTIVE DESTINATION FOR INVESTORS



The industrial park has synchronous modern infrastructure and an environment-friendly environment

In 2014, Fuchuan Co., Ltd. was approved by the Vinh Phuc Provincial People's Committee to invest nearly US\$150 million in the first-phase of Binh Xuyen II Industrial Park, covering more than 42 ha, of which rentable commercial area is over 31.6 ha. Since it launched the project, Fuchuan Co., Ltd has focused resources on the quality of technical infrastructure construction and support services for secondary investors. After one year of construction, the company completed a synchronous infrastructure system, including 126-MVA 110/35/22 kV power station, a water supply system with a daily capacity of 20,000 cubic meters, a concreted and asphalted road system for convenient freight transportation and mobility, a rainwater drainage system and a separate wastewater and solid waste treatment facility with a capacity of 1,800 cubic meters a day. Besides, secondary investors will be provided with support services in finance, banking, customs and transportation and entitled to incentive policies and maximum support of Vinh Phuc province.

With a well-invested synchronous infrastructure system, space rentals are competitive. Lifetime land rent in Binh Xuyen II Industrial Park is US\$10 per square meter lower than that in Binh Xuyen Industrial Park, US\$13 lower than Khai Quang Industrial Park and US\$15 lower than Ba Thien II Industrial Park. Particularly, the land rent is exempted until December 31, 2025 and the

Since its inception, Binh Xuyen II Industrial Park, invested and developed by Fuchuan Co., Ltd in Binh Xuyen district, Vinh Phuc province, has contributed to local economic development. The industrial park has synchronous modern infrastructure, and a green, clean, beautiful and environment-friendly manufacturing and working environment, making it an attractive destination for investors.

QUYNH NGOC

factory rent is from US\$2.7-3.1 per square meter a month. Binh Xuyen II Industrial Park has attracted many high-profile domestic and foreign investors. Tenants in Binh Xuyen II Industrial Park mainly manufacture electronic components, office equipment, mobile phones and software and employ nearly 7,300 workers. Many are expanding their production scale and actively contribute to budget revenue and employment, featured by Korea Computer Co., Ltd., Young Poong Vina Vinh Phuc Co., Ltd. and Diostech Vina Co., Ltd.

Fulfilling its investment commitments and obeying regulations, Fuchuan Co., Ltd. has completed investment procedures for construction of Phoenix Town worker housing and public services in Ba Thien commune, costing more than VND1,000 billion, for thousands of workers in Binh Xuyen II Industrial Park and other industrial parks in Binh Xuyen district. In particular, implementing Decision 1839 dated July 23, 2020 of the Vinh Phuc Provincial People's Committee on

revised detailed planning of Binh Xuyen II Industrial Park, Fuchuan Co., Ltd focused on completing procedures for the second-phase expansion by over 63 ha. The US\$18 million investment was submitted to the Prime Minister for approval.

The second-phase infrastructure will be invested synchronously to make Binh Xuyen II an attractive destination for investors and help local employment and budget revenue.■



# VINH PHUC PLANS TO BUILD 25 NEW IPs IN 2021-2030



Vinh Phuc province plans to build 23-25 industrial parks with a total area of 7,000 ha in the 2021-2023 period, said Mr. Nguyen Xuan Phuong, Director of the Vinh Phuc Industrial Parks' Authority. This is an important development step for Vinh Phuc to form regional industrial centers and attract large corporations to locate their investment projects in the province.

THANH LOAN

**T**o achieve this goal, Vinh Phuc needs to address many existing problems, he said, adding that focus will be placed on promoting infrastructure construction of industrial zones.

By 2021, Vinh Phuc has 14 industrial parks with rentable industrial land area of 2,041.07 ha. Eight are operational, including Khai Quang (216.24 ha), Binh Xuyen (286.98 ha), Kim Hoa (50 ha), Ba Thien (325.75 ha), Binh Xuyen II - Phase 1 (42.21 ha), Ba Thien II (308.83 ha), Tam Duong II - Section A (135.17 ha) and Thang Long Vinh Phuc (213 ha).

Among six new industrial parks approved for establishment by the Prime Minister in the first quarter of 2021, Song Lo II, Tam Duong I - Section 2, Song Lo I, Nam Binh Xuyen and Thai Hoa - Lien Son - Lien Hoa (Section 2 - Phase 1) are carrying out procedures for land compensation and site clearance, and investors in Ba Thien Industrial Park - Section 1 are building infrastructure. ■



Stable business performance in the industrial parks is maintained thanks to the efforts of the Vinh Phuc Industrial Parks Authority

## Vinh Phuc IPs Employ Nearly 110,000 Workers

The industrial parks of Vinh Phuc province are consistently employing nearly 110,000 workers and significantly contributing to local socio-economic development.

BAO NGOC

**V**inh Phuc province currently has eight operational industrial parks with 328 tenants which are employing nearly 110,000 workers. An average worker is paid VND6 - 8 million a month. Typically, Khai Quang Industrial Park in Vinh Yen City attracts more than 40,000 workers, and Ba Thien II Industrial Park in Binh Xuyen district



generates 21,000 jobs.

Some new industrial parks also sped up their infrastructure investment, including 213-ha Thang Long Vinh Phuc Industrial Park, invested by Sumitomo Group of Japan since September 2017 in Thien Ke and Tam Hop communes, Binh Xuyen district. To date, the park has attracted 18 tenants which are employing thousands of workers. Once completed, the facility will attract 60 - 70 investment projects from Japan and generate 20,000 - 22,000 jobs.

Despite being affected by the COVID-19 pandemic, stable business performance in Vinh Phuc-based industrial parks has been maintained thanks to the effort of the Vinh Phuc Industrial Parks Authority and the tenants in the fight against the pandemic. Vinh Phuc province expects to draw 50 new projects into its industrial parks, including 30 FDI projects with US\$790 million of investment capital and 20 DDI projects with VND13 trillion, up 44.7% year on year. ■

## SOJITZ Group, Partners Jointly Develop US\$500 Mln Project in Vinh Phuc Province

In the framework of Prime Minister Pham Minh Chinh's visit to Japan, on November 25, 2021, Ms. Hoang Thi Thuy Lan, Secretary of the Vinh Phuc Provincial Party Committee; Mr. Vu Chi Giang, Vice Chairman of the Provincial People's Committee; and other members of the Vinh Phuc delegation attended the Vietnam - Japan Investment Promotion Conference chaired by Prime Minister Pham Minh Chinh in Japan.

HOANG THAM

**V**ietnam - Japan Investment Promotion Conference

was an important activity during the Prime Minister's visit to further strengthen economic diplomacy. The event was themed "Elevating Vietnam - Japan relations, cooperation for mutual development", attended by governmental officials and business leaders of both countries.

Under the witness of Prime Minister Pham Minh Chinh at the conference, Ms. Hoang Thi Thuy Lan signed a memorandum of understanding (MoU) on investment cooperation between the Vinh Phuc Provincial People's Committee and SOJITZ Group and its investment partners in Vietnam. The MoU featured investment for a shift from pig farming to cow farming, slaughtering housing construction and meat processing, preservation and distribution in Tam Dao district, Vinh Phuc province.

Costing over US\$500 million, this is the largest agricultural investment project signed between Vietnamese and Japanese enterprises during the visit.

The project includes the following components: Investment in livestock farming and beef processing and distribution for the domestic market and for export, which will help boost agricultural development cooperation between Vietnam and Japan in general and between Vinh Phuc and Japanese enterprises in particular. The project also connects business cooperation of the two countries from technical cooperation, research and infrastructure development to joint venture and direct investment in high-tech agriculture. This project also included agricultural tourism. ■



**Vinh Phuc Provincial Secretary Hoang Thi Thuy Lan exchanges the MoU with SOJITZ Group and its investment partners in Vietnam**



# DAIWA PLASTICS THANG LONG ADAPTING WELL TO NEW NORMAL



Wholly Japanese-invested Daiwa Plastics Thang Long Co., Ltd, established and put into operation in 2019 in Thang Long Industrial Park, Vinh Phuc province, manufactures plastic components for automobile and motorbike manufacturing industries. Persistently carrying out the so-called "dual goal" of ensuring business operations and preventing the COVID-19 pandemic, the company not only builds and maintains a "green business zone" but also creates good jobs and stable income for nearly 400 employees, who are paid an average salary of VND7 - 7.5 million each a month.

NGUYET THAM

To build a brand in the market and to meet the increasing demand of customers, the company has invested in building a synchronous modern infrastructure; assembled advanced technological equipment and machinery, automated in most stages; installed automatic fire prevention and fighting systems; and equipped workers with masks and personal protective equipment. Currently, Daiwa Plastics Thang Long's factories in Thang Long Vinh Phuc Industrial Park are working efficiently and stably, supplying flexible plastic components for many major manufacturers such as Honda Vietnam, Yamaha Vietnam, Canon, Inax, Toto, Panasonic and Vinfast. A company representative said, with outstanding advantages such as synchronous modern industrial park infrastructure, quick administrative procedures, and open policies, Daiwa Plastics Thang Long is serving many large-scale well-reputed automobile and motorbike manufacturers.

The COVID-19 pandemic has exerted a considerable impact on the company's operations since the beginning of the year, with revenue shrinking by 40% in some months due to rising input prices, falling orders, contracting markets, growing transport costs, COVID-19 tests, and employee subsidies. Striving to realize the "dual goal" and maintain the "green business zone", Daiwa Plastics Thang Long regularly informs and raises awareness of employees in the fight against the COVID-19 pandemic; strictly applies regulations on pandemic prevention and control as recommended by the Ministry of Health and Vinh Phuc province; flexibly adopts three-shift working mechanism, works out appropriate response plans to safely adapt to all pandemic scenarios. Currently, all employees are vaccinated against COVID-19.

To stabilize and develop sustainable operations in the coming time, Daiwa Plastics Thang Long will invest more in modern and synchronous machinery and equipment for higher product quality and diversity. At the same time, I hope that Vinh Phuc province's government will continue to have business support policies like electricity and water bill reduction and tax payment rescheduling to help local enterprises to have more money for restoring and stabilizing operations amid complicated pandemic development. ■

## SHINWON EBENEZER VIETNAM CO., LTD

# MAINTAINING BUSINESS OPERATIONS, CONTAINING COVID-19 PANDEMIC

**T**he company's business operations have faced a lot of difficulties since March 2020 due to the COVID-19 pandemic outbreak, especially when the distribution and transportation of goods were disrupted. Even many completed orders could not be fulfilled because exports to the United States were halted amid rising production costs. To live through this difficult period, fulfill signed orders and avoid production chain disruption to ensure jobs and incomes for employees, the company flexibly changed production methods, promoted traditional markets, sought new orders, improved product quality, and reduced the price of some key products to keep orders and ensure employment for employees. In the first 11 months of 2021, although its revenue decreased by about 20% from the same period in 2020, the company still had a good salary and bonus policy for employees. In addition, it donated VND1 billion to the COVID-19 Vaccine Fund.

To minimize production costs while ensuring safety against the pandemic, the company invested in many automated production equipment; strictly controlled input materials and production stages to reduce defective products; trained and improved professional qualifications and soft skills for managers and skills and use of new technology for workers at all stages in the production chain; and launched emulation movements such as "Productivity, quality, efficiency"



Set up more than 19 years ago in Khai Quang Industrial Park, Vinh Phuc province, wholly South Korea-invested Shinwon Ebenezer Vietnam Co., Ltd has constantly expanded production, and fostered technological innovations to enhance modernity and product quality to meet customers' needs and improve income for employees. Despite the impacts of the COVID-19 pandemic, the company managed to maintain jobs for more than 4,000 employees, paid an average of VND7 million a month.

QUYNH NGOC

and "Excellent workers, creative workers". Besides, the firm boosted the working performance of pandemic safety teams in each division and production workshop; signed agreements with food, commodity and input suppliers to ensure pandemic prevention and control; performed rapid tests for high-risk people such as security guards, canteen waiters and workshop managers every two weeks. Currently, nearly 100% of employees and workers have been fully vaccinated against COVID-19.

Furthermore, the company has applied internal working rules for each department; regularly captured the thoughts, aspirations, proposals and suggestions of employees to have appropriate solutions for improvement; organized in-house training courses to raise their awareness and responsibility of maintaining and ensuring the safety of the working environment and preventing occupational diseases; fully abided by employee policies; and taken care of their health.

In the coming time, Shinwon Ebenezer Vietnam Co., Ltd will work hard to adapt to new production conditions; restructure production toward leanness and science; boost technological innovation and automation in production stages to increase labor productivity, shorten delivery time and ensure product quality; focus on marketing; foster and improve skills for employees to catch up with technological innovation requirements; fully ensure employee security and income policies to become a leading offshore garment producer in Vietnam.■



# CÔNG TY CỔ PHẦN TƯ VẤN CÔNG NGHỆ, THIẾT BỊ VÀ KIỂM ĐỊNH XÂY DỰNG - CONINCO



CONSULTANT AND INSPECTION JOINT STOCK COMPANY OF CONSTRUCTION TECHNOLOGY AND EQUIPMENT (CONINCO.,JSC)



Cảng hàng không quốc tế Long Thành



Tòa án nhân dân tối cao



Trung tâm vũ trụ Việt Nam



Tòa nhà Petrolimex



Bệnh viện Chợ Rẫy hữu nghị Việt Nhật

## *Chắc chắn cho tương lai*

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