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ACCOMPLISHING MODERN DIGITAL  
FINANCIAL ECOSYSTEM BY 2030

**Accelerating Digital Transformation  
in Banking Operations**

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Second ABAC Meeting for 2021  
May 11, 2021



Liên kết doanh nhân Việt  
Uniting Entrepreneurs



VCCI President Vu Lien Loc (top right hand) and other delegates at the 2nd ABAC meeting for 2021

# Containing Covid-19 and Spurring Economic Recovery

Asia-Pacific business leaders attended an online meeting of the APEC Business Advisory Council (ABAC) on May 11, 2021. ABAC Vietnam President Vu Tien Loc together with its members and the Secretariat joined the meeting.

H.LY

**A**t the meeting, ABAC members emphasized the dire need for closer cooperation and right policies to overcome challenges caused by the Covid-19 pandemic.

ABAC said it is finalizing a report to submit to APEC Trade Ministers in their gathering in June 2021. ABAC also believed that it is now very important to work together to control the Covid-19 pandemic. Regional trade should be an important contributor to this effort by supporting the production, distribution and trade of vaccines and other medical supplies.

The Covid-19 pandemic is still developing very complicatedly in many countries, including APEC economies that are being severely affected such as Papua New Guinea and India. Therefore, ABAC called on APEC to share vaccines

among economies and take urgent action to achieve vaccination as quickly and widely as possible, including the adoption of the COVAX Facility.

ABAC believed that vaccination is one important tool to boost economic recovery. ABAC has clear priorities for the post-pandemic period: Reopening safe borders through vaccination and testing; more flexible cross-border supply chains by removing non-tariff barriers to foster digital trade; and creating a more level playing field for small businesses and women.

ABAC said World Trade Organization (WTO) reform is a top priority as well. ABAC adopted the WTO Declaration, calling on APEC to take the lead in forming a strong, trustworthy and relevant agency that can effectively tackle emerging issues such as digital trade, decarbonization and inclusive growth.

Delegates to the meeting said that COVID poses an immediate threat, but we cannot ignore the next big challenge, climate change. ABAC is developing a set of climate leadership principles for adopting an equitable transition to a low-carbon economy and advocating commercial levers to achieve greater sustainability.

APEC's Putrajaya Vision calls for an open, dynamic, resilient and peaceful community by 2040. ABAC fully subscribes to that aspiration. ABAC's 2021 focus emphasized the importance of people and planet, and maintained the region's shared prosperity. ■



## LABOR PRODUCTIVITY

# Important Factor for Growth



**Firms can raise their productivity by advancing science, technology and innovation**

### **Productivity growth is not fast enough to close the gap with other countries**

Dr. Vu Tien Loc, President of the Vietnam Chamber of Commerce and Industry (VCCI), said that Vietnam has made strong efforts to improve its labor productivity in the past years and achieved significant growth, both in value and in speed.

Labor productivity in 2020 (referred to the base price in 2010) grew by only 5.4% (compared to 6.2% in 2019), lowest in five years, reaching VND117.94 million (US\$5,081). This growth was higher than that of other countries in the region.

Vietnam's labor productivity has picked up markedly, rising by 5.8% a year on average in the 2016-2020 period, higher than that in the 2011-2015 period (4.3%) and higher than the expected target (5%). The average contribution of total factor productivity (TFP) in five years was about 45.2% (higher than the target of 30 - 35%). The growth model has gradually shifted from breadth to depth: Gradually reduced dependence on resources, raw exports, cheap labor and expansive credit; and gradually shifted to relying on scientific and technological application and innovation.

According to the International Labor

Vietnam has not yet experienced a real productivity growth phase, which is a key factor for an economy to rise to high-income status, according to the Vietnam Productivity Report jointly conducted by the Vietnam Institute for Economic and Policy Research (VEPR), the University of Economics and Business (Vietnam National University of Hanoi, and the National Graduate Institute for Policy Studies of Japan.

QUYNH CHI

Organization (ILO), Vietnam's labor productivity growth was 5.11% in the 2011-2020 phase, higher than the ASEAN median (3.11%) and higher than most ASEAN countries, second only to Cambodia, VCCI President Loc said. However, this rate was still lower than that of China (7%) and India (6%).

Labor productivity growth has not been fast enough for Vietnam to close the gap with other countries. According to ILO, Vietnam's labor productivity in 2020 was seven times lower than that of Malaysia, four times lower than China, three times lower than Thailand, two times lower than the Philippines and 26 times lower than Singapore. The 2020 Report released by the Asian Productivity Organization (APO) also showed that Vietnam's labor productivity lagged behind Japan by 60 years, Malaysia by 40 years and Thailand by 10 years. This indicated that Vietnam needs to make stronger efforts to enhance its productivity.

### **Good formula for Vietnam's labor productivity**

Dr. Nguyen Duc Thanh, Director of the Vietnam Center for Economic and Strategic Studies (VESS), said that by sector, the agricultural productivity remains low and the industrial productivity is the highest of all. Thus, like a typically industrialized country, Vietnam's industrial productivity plays a leading role in the economy as a whole. However, manufacturing productivity - the most expected sector - has not increased over time, from 2000 to the present.

By ownership, the foreign-invested sector is often reported to be highly productive because of its effective operation methods. But this was only true before 2000. After that, its productivity dropped sharply. This happened at the same time as manufacturing productivity was stuck since 2000. Meanwhile, the

# Optimistic about Vietnam Economy

While 46% of German businesses had a positive view of Vietnam's economic development in 2020, 66% expected a significant improvement in 2021. One-third thought that the economy of Vietnam will recover in the first half of this year, 30% said that the recovery will happen in 2022.

### THU HA

This is the result shown in the survey by the network of German Chambers of Commerce Abroad (AHKs).

According to AHK, the pandemic has affected local and German businesses and caused a decline in their business performance. Factors such as travel restrictions, less consumer demand for products and services, and the cancellation of trade fairs and events still hurt the German companies in Vietnam.

On the sustainable supply chain, 67% of German participants would diversify their supply chain by finding additional suppliers, changing delivery routes or increasing their inventory.

Despite this, German businesses look forward to a positive economic climate and outlook for Vietnam. Despite the Covid-19 pandemic, Vietnam recorded economic growth of 2.9% in 2020 and is expected to achieve a growth rate of 7.5% this year. The simultaneous implementation of the EVFTA and CPTPP Agreement will help Vietnam's GDP increase by up to 3.2% in the decade 2021-2030. Vietnam will become a strategic investment destination in the process of restructuring the global and regional supply chain, a potential domestic market to attract international corporations.

Besides, Vietnam is still one of the countries with the fastest economic growth in Southeast Asia. FDI enterprises, especially German businesses, show optimism about Vietnam's economy in

the medium and long term. German business leaders in Vietnam maintain a positive view of both the larger economy and their situation in Vietnam, and they look forward to the recovery year of 2021 and 2022.

Mr. Marko Walde, Chief Representative of AHK Vietnam, said that it is obvious these results show the Vietnamese government has taken decisive and forceful action against the impact of the pandemic. These measures should be taken as fast as possible to counter the economic impact of the coronavirus, in order to bring the economy back onto a growth path as quickly as possible.

Moreover, the Vietnamese government creates the most favorable conditions for foreign investors and businesses. The country has been implementing a number of activities and effective methods in order to achieve the dual objectives: promoting socio-economic development and effectively preventing pandemic in the "new normal" condition of Vietnam.

With a positive view of the business situation and expectations in Vietnam, German businesses operating in Vietnam assess both their own business situation and future business expectations significantly better than in 2020.

55% rate their current business situation in Vietnam as good and 11% as poor. While in 2020, only 36% had a positive view of their situation in Vietnam. The balance points increase from 13 points to 44 points. The great increase in business expectations is really surprising. While the positive ratings rise from 36 to 55%, the number of negative ratings fall from 23 to 11%.

Besides, 47% of German companies in Vietnam intend to expand their activities in Vietnam and 50% assume an increase in employment in 2021/2022.

Although quite optimistic about the business situation in Vietnam, according to AHK, lack of qualified workers and low demand are the greatest business challenges for German investors in Vietnam.

Other factors that might affect German businesses in Vietnam are financing, legal certainty and infrastructure. ■

private sector had very low productivity at first but then improved quickly and steadily.

Notably, during the Covid-19 pandemic, the labor productivity of the state-owned sector was the highest. This is possible, according to Mr. Thanh, because this sector has continuous reforms, and those which were lowly productive and lowly effective, are eliminated or privatized, helping raise productivity. Importantly, all SOEs are capital-intensive. When the business fund is high enough, labor productivity will naturally be high because workers work with much capital. In addition, industries engaged by SOEs are monopolistic or protected by the government such as telecommunications and energy.

In order to boost labor productivity in the coming time, Vietnam needs to rely on corporate labor productivity to have appropriate solutions rather than copy foreign models,

according to Mr. Nguyen Tung Lam, Deputy Director of the Vietnam Productivity Institute (VNPI). Therefore, it is necessary to improve the capacity of Vietnamese labor productivity experts. In addition, it requires qualified experts to make an inclusive overview of labor productivity, know issues of enterprises and give a formula for labor productivity growth.

"At present, enterprises are innovating science and technology very quickly, but their technology operators' capacity cannot keep up that change. Many companies have spent a lot of money on technology, but their management cannot keep up, resulting in ineffective operations. This force that can effectuate reforms and change labor productivity for Vietnam is very necessary but seriously lacking. Without doubt, improving the capacity of this force is essential," he noted. ■



# Hai Phong Customs Collects Nearly VND21 Trillion for State Budget



Automobiles, machinery, equipment, petroleum and auto components are key sources of tax income for the State Budget at Hai Phong Customs Department.

## LE HIEN

**T**he Hai Phong Customs Department reported collecting VND20,772 billion for the State Budget in the year to the end of April, equal to 37.1% of the full-year estimate (VND56,000 billion), an increase of VND2,361 billion or 12.83% from the same period of 2020 (VND18,411 billion). The monthly average approximated VND5,200 billion.

Hai Phong City alone fetched VND18,130 billion, equaling 36.6% of the full-year estimate (VND49,500 billion), an increase of VND2,021 billion or 12.54% from a year-ago period (VND16,109 billion). Hai Duong, Hung Yen and Thai Binh provinces, also administered by the Hai Phong Customs

Department, collected VND2,642 billion, equal to 40.65% of the estimate, an increase of VND341 billion or 14.81%, from the same period of 2020 (VND2,301 billion).

Remarking on the reason for the budget revenue growth, a representative of the Import and Export Tax Bureau (Hai Phong Customs Department) said that, to strive to complete and exceed the revenue target, right from the beginning of this year, the Hai Phong Customs Department adopted a lot of measures to facilitate trade, enhance administration performance and prevent revenue leakage in 2021. The agency has accelerated administrative reform and customs modernization, applied information technology to professional activities in order to reduce customs clearance time, and facilitate import and export, means of transport and entry and exit passengers.

Meanwhile, the department has focused on communication, support, and legal advice on customs to the business community for better regulatory compliance and promptly solved problems for enterprises within its jurisdiction.

By adopting solutions to facilitate economic recovery in the first months of the year, import and export value at the



## Delivering More Procedures on NSW Portal

The procedure for quality control of imported aquatic feed and environmental treatment products administered by the Directorate of Fisheries under the Ministry of Agriculture and Rural Development was recently officially connected to the National Single Window (NSW).

Previously, the Directorate of Fisheries sent a written request to the General Department of Customs to deliver the procedure for quality control of imported aquatic feed and environmental treatment products administered by the Directorate of Fisheries on the National Single Window from April 10, 2021, replacing the procedure for quality control of imported aquatic feed (including probiotics, microorganisms, minerals, chemicals, except chemicals with antiseptic effects, sterilization and disinfection) implemented since 2015.

The General Department of Customs requested local customs authorities to decentralize e-customs lookup function for quality inspection of imported aquatic feeds and aquacultural environment treatment products to customs officers.

At the same time, the General Department also required customs officers at customs agencies to access the e-customs lookup system and use settlement results on the procedure for quality control of imported aquatic feeds and aquatic environmental treatment products. Enterprises will be not required to submit paper copies for permits granted through the National Single Window when they carry out customs procedures.

Quality inspection description registration certificates granted from the procedure of quality inspection of imported aquatic feed (including probiotics, microorganisms, minerals, chemicals, except chemicals with antiseptic effects, sterilization and disinfection) implemented since 2015 are still valid and submitted to customs officers for customs clearance.

In the first quarter of 2021, authorities received and processed 125,908 records filed by 1,720 enterprises through the National Single Window.

LH

## Canada, ASEAN Join Hands in Response to Covid-19 Pandemic

Canada will grant 3.5 million Canadian dollars to the ASEAN Covid-19 Response Fund, according to the Canadian Embassy in Vietnam. This regional fund ensures that ASEAN member countries have equal access to important funding sources for vaccines, medical supplies and research for post-pandemic recovery.

ASEAN has made important strides in controlling the Covid-19 pandemic, through measures such as the establishment of an ASEAN Response Fund with Covid-19, information sharing through the ASEAN Emergency Operations Centre Network and the ASEAN BioDiaspora Virtual Centre for Big Data Analytics and Visualization - both implemented in cooperation with Canada - and the articulation of a community-wide recovery from Covid-19 with the ASEAN Comprehensive Recovery Framework.

Secretary-General of ASEAN H.E. Dato Lim Jock Hoi said, "Regional efforts to respond to the Covid-19 pandemic have been put in place since as early as February last year. As part of these regional efforts, ASEAN is working with our external partners to overcome this global challenge. The ASEAN-Canada Enhanced Partnership has always been steadfast, as shown especially in these challenging times."

This new support demonstrates Canada's commitment to partnership with ASEAN, prioritizing investment in human resource development and promoting regional prosperity, stability and health security during Covid-19 and beyond.

L.A

Hai Phong Customs Department increased dramatically, especially automobiles, equipment, auto parts, and petroleum.

From January to April, the import and export value through the department reached US\$29.531 billion, up 23.5% year on year. On the import side, automobile value grossed US\$363 million, up 34.6%; machinery and equipment value topped US\$ 1,572 billion, up 14.5%; petroleum products valued US\$235 million, up 58.8%; auto parts amounted at US\$121 million, up 29.5%; confectionery and sugar was worth US\$91 million, up 27.9%; and motorcycles and parts were valued US\$ 6 million, up 29.9%.

Key growth-driving exports included wood products and aluminum products. The former fetched US\$19 million, up 1,340 times; and the latter made nearly US\$16 million, up 75%.

To achieve the target, in the last eight months of the year, the Hai Phong Customs Department will have to collect VND35,228 billion, or more than VND4,400 billion a month. This is completely feasible, based on the performance in the past months of the year. However, the recent complicated outbreak of Covid-19 epidemic will require a greater effort by the Department to effectively realize its dual goal: Successfully fighting the pandemic and clearing export and import flows with good customs administration.■

# Speeding Up National Digital Transformation



Digital transformation is a global megatrend, significant to the Fourth Industrial Revolution or Industry 4.0, and has become imperative amid the resurgence of the Covid-19 pandemic. Emphasizing the strategic importance of digital transformation, in his keynote speech delivered at the opening session of the 13th National Party Congress, General Secretary Nguyen Phu Trong underscored the importance of stronger national digital transformation.

**GIANG TU**

**I**n fact, digitization can be seen in all activities from images to sounds, processes, procedures to products and services. Moreover, it can be endlessly scaled up and conveyed instantly to anywhere with near-zero cost and time.

Furthermore, digitization makes data collection and processing automated and easy. Data analysis enables quicker and better decision-making. Data is becoming the most important resource for every business and every country.

Digital transformation creates new impetus for economic growth, and at the same time provides opportunities for Vietnamese businesses to build new strategies.

## Active and rapid participation of agencies and businesses

Immediately after the Prime Minister enacted the National

Digital Transformation Program, many sectors accelerated digital transformation and achieved results that reportedly had significant impact on public governance and people's livelihoods. For example, the number of services provided on the National Public Service Gateway operated by the Government Office on the platform built and developed by VNPT Group amounted to 2,700 integrated public services, as compared to nearly 6,700 administrative procedures delivered at four levels of government as of December 30, 2020.

The online declaration through the National Service Portal has helped people quickly and easily declare, apply for house construction permits, register license plates and pay registration tax when buying imported cars. According to estimates of the Government Office, digitization has "saved more than VND6,700 billion a year in social costs when doing public services online". But more importantly, the operation through the National Service Portal has made an important contribution to administrative modernization and become one important solution for e-government development in Vietnam.

Ready to become on par with the national digital transformation roadmap, Vietnam Posts and Telecommunications Group (VNPT) has accelerated its digital government ecosystem solutions. In addition to consulting on project development and providing information technology solutions on e-government, digital government and smart city construction for central and local agencies, VNPT has also completed specific platforms for digital transformation such as Intelligent Operations Center (IOC) solution, National Population Database and National Land Database.

The Ministry of Health has quickly responded to digital transformation and applied information technology to medical examination and treatment. Minister of Health Nguyen Thanh Long said, "Up to now, 1,500 telehealth points







**Firms showcase their technologies at Industry 4.0 Summit 2019**

are connected, powering lower medical facilities to conduct emergency cranial surgeries. Without telehealth, the referral takes six hours to reach a higher hospital and patients may die in the process.

Mr. Vo Tri Thanh, Director of the Institute of Brand and Competitiveness Strategy (BCSI), said, at a business survey conducted in 2020 by the General Statistics Office (GSO) under the Ministry of Planning and Investment, that up to 30% of respondents invested in technology and machinery to change the way they operate, manufacture and do business, which proves that digital transformation is not only a requirement for the Government but also an obvious demand for the Vietnamese business community.

Prof. Ho Tu Bao from the Vietnam Institute for Advanced Studies in Mathematics (VIASM) affirmed that Industry 4.0 is opening opportunities for countries with no industrial traditions and opening opportunities for small to large businesses. If Vietnam cannot digitally transform and apply technology to move forward, it will lag behind further.

### **Accelerating national digital transformation**

The National Digital Transformation Program is a major comprehensive program. With the Party policy on stronger national digital transformation, the power of the Party, the people and the entire political system will be mobilized to successfully realize the program for national digital transformation to bring the country to a new phase of substantive development.

After the starting period of national digital transformation, the year 2021 as well as the whole five-year period of 2021-2025 is defined as the time to speed up specific actions and solutions for each ministry, sector and locality.

Although the Covid-19 pandemic has caused a serious impact on the global economy, disrupted commodity supply

chains, hurt imports and blanked sellers' stores in 2020, e-commerce still expanded 18%. Personal and corporate accounts in the e-commerce market are also on the rise.

Experts predict that digital transformation and e-commerce will continue to thrive in 2021, bringing new opportunities to create momentum for economic growth.

To successfully speed up digital transformation, according to BCSI Director Vo Tri Thanh, if an enterprise wants to be digitally transformed, it must think big, work in details and act drastically from every small work that is innovative, disseminative; and align digital transformation with the business development strategy where the leadership must be on the forefront.

Mr. Pham Nam Long, CEO of Abivin Company, said digital transformation helps businesses optimize resources, starting by digitizing documents, information and task assignment, enabling them to use digital data to improve operations. To be absolutely successful, they need to review their capabilities and needs, find suitable solutions, base on actual development, carry out step by step and maintain operations.

According to Minister of Information and Communications Nguyen Manh Hung, local and central bodies need to choose the right way to implement digital transformation immediately and comprehensively, not gradually or partially. "The digital platform is a quick way to do it. One digital platform can be shared by a hundred million people," he said.

"As regards digital government, it is not necessary to complete e-government before we build a digital government, but we can immediately deploy a digital government from 2021," he emphasized at an online cabinet conference. "Vietnamese technology enterprises can completely provide infrastructure, solutions and applications for national digital transformation," Minister Hung concluded. ■

# Accelerating Digital Transformation in Banking Operations



The finance - banking sector is taking the lead in applying digital technology with innovations and breakthroughs in delivery of convenient and optimal services. Especially, in the context of a complicated Covid-19 pandemic development, digital transformation is considered a new engine of growth, a key to turn risks into opportunities. Vietnam Business Forum has an interview with Mr. **Nguyen Kim Anh**, Deputy Governor of the State Bank of Vietnam (SBV), on this issue. **Quynh Ngoc** reports.

**The National Digital Transformation Program to 2025, with a vision to 2030, was approved by the Prime Minister in June 2020. How has the banking sector responded to this program?**

Knowing that digital transformation has been, and will be, producing a very strong impact on the Vietnamese banking industry, the State Bank of Vietnam has actively studied and issued many timely and appropriate policies and regulations to facilitate innovations and speed up digital transformation in the banking industry. As early as 2017, the SBV established the Steering Committee on Fintech to manage and foster banking - Fintech cooperation and innovations in the banking and finance sectors such as peer-to-peer lending (P2P lending), blockchain technology, electronic know your customer (eKYC) and Open API data sharing. In 2019, the SBV added functions, tasks and responsibilities to the committee to advise on digital banking operations management. Besides, banking development strategies, cashless payment development projects and action plans to carry out Directive 01/CT-TTg on development of Vietnamese digital enterprises were advised by the SBV before being submitted to the Government for promulgation or enactment. In particular, the SBV has focused on breakthrough solutions, fostered payment operations development, facilitated digital transformation of the banking industry like adding legal regulations on payment intermediaries and electronic money, adding payment agents, speeding up digital application in designing and distributing banking products and services; and issued payment standards through QR codes and domestic chip card standards.

In response to Party and Government policies, especially the National Digital Transformation Program (Decision 749/QĐ-TTg dated June 3, 2020 of the Prime Minister) and the Banking Development Strategy to 2025, with a vision to 2030, the SBV has continuously studied and completed the legal corridor for pacing up digital transformation of the banking sector such as Decision 1238/QĐ-

NHNN dated July 8, 2020 on the Action Plan for implementation of the Government's Resolution 50/NQ-CP; Circular 16/2020/TT-NHNN dated December 4, 2020 allowing banks to open payment accounts using eKEY; Decision 260/QĐ-NHNN dated March 4, 2021 on the Information Technology Application, Digital Government Development and Cyber information Security Plan for SBV operations in 2021-2025. In particular, the SBV is actively researching and building a plan to transform the banking sector to 2025, with a vision to 2030, expected to be issued in the second quarter of 2021. The plan aims to comprehensively modernize SBV administration by effectively applying and utilizing Industry 4.0 achievements, fully meet digital transformation criteria and indicators adopted by the Government; develop digital banking models, enrich utilities and customer experiences and realize inclusive and sustainable financial goals on the basis of applying new advanced technologies in governance and delivering products and services for process automation and operational optimization.

**What do you think about banking digital transformation so far?**

With the above-mentioned approaches and actions, payment and digital transformation in the Vietnamese banking industry has produced remarkable results as follows:

Establishing a legal corridor for digital transformation and digital banking: At first reviewing, amending, supplementing and promulgating new regulations on payment and digital transformation facilitation like regulations on non-cash payment, intermediary payment operations, eKYC, QR code payment and chipcard standards for domestic payment cards.

Smoothly operating payment and credit information infrastructure. The automated clearing house (ACH) system processes 5-7 million interbank payment transactions per day. In 2020, the volume and value of domestic clearing and switching transactions in the whole system increased by 78% and 128% over 2019, respectively.





**SBV is conferred with the Labor Order, first class at the 70th anniversary of the banking industry**

Developing many safe and convenient digital payment products and services: According to survey results in September 2020 released by the SBV, 95% of banks developed or planned to develop a digital transformation strategy. In particular, a majority (88%) of banks chose end-to-end digitization for both front-end and back-end. Most banks have applied cutting-edge tech solutions such as cloud computing, data analysis, big data, robotic process automation (RPA), artificial intelligence (AI)/machine learning, blockchain, and electronic know your customer (eKYC) in professional operations and delivery of products and services for better performance and increased customer experiences. Some banking services (like payment and savings deposits) are almost wholly digitized, enabling customers to perform all stages of payment service (like opening accounts, transferring money, paying bills, depositing and withdrawing money from current accounts). Many banks have applied artificial intelligence (AI), machine learning (ML) and big data technologies to rate and categorize customers and make disbursement decisions, thus helping simplify procedures and reduce disbursement and borrowing time from many days down to a day. As a result, the volume and value of digital banking transactions of many Vietnamese banks have recorded remarkable growth.

**The evolution of the Covid-19 pandemic has placed greater pressure and perhaps a mandatory requirement for digital transformation in banks. How has the SBV surmounted challenges to speed up this process?**

The Covid-19 pandemic has helped accelerate digital transformation in Vietnam 1-2 years sooner as both customers and bank staffs are forced to use digital technology to access and use banking services or provide services for customers. Covid-19 has helped credit institutions to realize that digital transformation is an indispensable option for them to adapt and overcome challenges of the digital age and uncertainties such as the ongoing pandemic.

As the Covid-19 pandemic has affected people, businesses and credit institutions, especially disrupted traditional transaction methods in a physical environment such as branches and transaction offices, the State Bank of Vietnam has:

Urgently studied, compiled and promulgated Circular 16/2020/TT-NHNN dated December 4, 2020, amending and supplementing a number of articles of Circular 23/2014/TT-NHNN dated August 19/2014 on guidance for opening and use of current accounts at payment service providers, thereby enabling banks to open payment accounts using eKYC. According to this regulation, banks are allowed to apply solutions and technologies to collect, check, compare and ensure the right match of customer identification information without any physical contact. The enactment of this ruling permits banks to open eKYC accounts, helps individual customers increase their experience of using banking services, saving time and effort as the eKYC implementation is made automated and online. Particularly, amid the complicated development of Covid-19 pandemic, opening an account with eKYC will help limit physical contact and transactions, reduce exposure to infections as easier online account opening is accepted and payments are made electronically.

Promulgated Circular 04/2020/TT-NHNN dated March 31, 2020 and Circular 19/2020/TT-NHNN dated December 30, 2020 (amending and supplementing regulations on payment service fees via the SBV). The SBV has instructed credit institutions to exempt and reduce fees for public service payments and money transfer transactions during and after the Covid-19 pandemic, aiming to assist people and businesses to overcome hardships caused by this plague. This measure has encouraged people and businesses to use more electronic payments and accelerated digital transformation by creating consumer habits and behaviors and using appropriate services.

Despite the satisfactory results before and even during the Covid-19 pandemic, there were still challenges in digital transformation in the banking sector that require appropriate solutions as follows:

The legislation of regulations in the banking sector to match actual developments and digital trends in banking operations gradually establishes a solid legal foundation for the formation and development of digital banking services.

Challenges emerge from synchronizing and standardizing





*We are living in the digital age, so I think all banks need to prepare well for digital banking. Digitalization is crucial to banks in a highly competitive society today. However, the investment in digital transformation varies from bank to bank, based on their existing foundation and desired effects. Then, banks are only determined to focus on the digital platform. For example, some banks will invest heavily because they want to grasp a top position in the digital banking market, but others will seek to cooperate with digital technology partners to work out an appropriate investment level.*

*At ACB, a reasonable part of our profit will go to banking technology investment and strategy-based business operations. We will implement digital banking, not only limited to payment and deposit products, but also expanded to credit products. We will also scale up digital transformation in our branches, transaction offices, operators and headquarters. Currently, ACB has six digital banking channels through smartphone applications, websites and integrated partner systems using Open APIs to meet the demand of all customers, including individuals, business households and enterprises of all sizes. New technologies such as eKYC and big data analytics have been deployed in recent times. In the long term, we plan to upgrade core-banking, rebuild and completely refresh applications and websites, and scale up digital banking service providers in order to enhance user experiences and achieve new business goals.*

**Mr. Do Minh Toan, General Director of Asia Commercial Bank (ACB)**

technical infrastructures to facilitate seamless interconnection and integration with entities in the digital ecosystem.

Concerned agencies must coordinate and synchronize relevant regulations. In the near term, it is essential to focus on building a mechanism with respect to connection and sharing of national database on population managed and operated by the Ministry of Public Security, allowing credit institutions to deploy eKYC in a fast, secure, accurate and cost effective manner; coordinate with the Ministry of Information and Communications to amend, supplement existing regulations or issue new ones on electronic contracts, electronic signatures/digital signatures, electronic customer identification and authentication to create a consistent regulatory corridor for safe and secure banking transactions on digital platforms.

Other challenges include changing consumer perceptions, habits and behaviors; ensuring security, safety and confidentiality of customer data; mobilizing and allocating sufficient resources for digital transformation, as well as promoting mobile payment, expanding access and provision of digital payment and digital banking products and services for people in rural and remote areas.

#### **What directions, policies and solutions has the SBV adopted to support accelerating digital transformation in the banking industry?**

To speed up inclusive digital transformation in the banking sector, right in the second quarter of 2021, the State Bank will launch the Digital Transformation Plan for the banking sector to 2025, with a vision to 2030, with a focus placed on the following main tasks and solutions:

First, fostering communication, strengthening digital transformation in the banking industry.

Second, further building/coordinating to complete a legal corridor to facilitate the development of digital banking products and services, with the short-term focus placed on: (i) Studying to complete the legal system (from laws and decrees to guiding circulars); (ii) making a decree in place of the Government's Decree 101/2012/ND-CP on non-cash payments to facilitate the development of digital payments; (iii) submitting to the Prime

Minister for consideration and promulgation a decree on Fintech management in the banking sector (Regulatory Fintech Sandbox); (iv) reviewing, amending and supplementing standards and regulations to strengthen, standardize interoperability and facilitate digital transformation.

Third, developing digital infrastructure; upgrading and completing important payment systems, connecting infrastructure and data for digital transformation goals at the SBV and banks like expanding, upgrading and building technology infrastructure for provision of digital products by upgrading and completing the electronic interbank payment system, the 24/7 automated clearing house (ACH) system with real-time payment processing; seamlessly connecting with other systems and platforms.

Fourth, effectively building and operating e-government at the State Bank of Vietnam; developing e-government toward a total digital government in terms of management, supervision, direction and administration of the State Bank by building and upgrading information technology systems, providing public services in a simple, convenient manner.

Fifth, establishing and developing digital banking service models at credit institutions; strongly applying Industry 4.0 to banking operations; developing digital banking services where digital payment is a gateway to seamlessly connect with other banking services such as mobilization, lending, investment and insurance.

Sixth, developing and effectively using digital data such as upgrading centralized database, effectively mining data sources.

Seventh, strengthening security and confidentiality in provision of banking services: upgrading the information security system, enhancing the protective response to the network system to quickly handle any security risks.

Eighth, focusing on human resources, seeing quality human resources as the decisive factor for banks to succeed in digital transformation.

Ninth, implementing solutions to support digital transformation in the banking industry such as international cooperation, promoting scientific research, applying digital technology to banking operations.

**Thank you very much!**



# Accomplishing Modern Digital Financial Ecosystem by 2030



The Decision on the Master Architecture toward digital finance recently adopted by the Ministry of Finance, showing its determination to build a smart and modern digital finance on the roadmap toward complete digital finance by 2030. Our reporter has an interview with Dr. **Nguyen Viet Hung**, Deputy Director of the Financial Informatics and Statistics Department under the Ministry of Finance, on this topic. **Le Hien** reports

**Could you please brief us on the plan for enacting Decision 2366/QĐ-BTC?**

Decision 2366/QĐ-BTC on the Master Architecture toward the Digital Finance Ministry to 2030 and its roadmap for this purpose is divided into two phases.

The target for the 2021 - 2025 stage is building an electronic finance - digital finance based on data and open data. The vision of this stage is determined by the Ministry of Finance to continue to complete the construction of e-government of the finance sector toward the Digital Finance Ministry and the Service-based Finance Ministry where people and businesses are placed at the center and enhance the performance of the entire industry through digital government and digitizing tools. Therefore, at this stage, the finance sector determines its first key tasks: Transformation to application systems and information technology infrastructure. Accordingly, the sector will focus on perfecting the legal document management system, document management system and electronic single-window information system.

Besides, the finance sector will develop a digitized administration system integrated with working tools and documents of the finance industry, an integrated report modernization system; an interest rate, exchange rate and market risk management information system; a price management information system and a public debt management information system; a tax debt inspection, supervision and settlement system; and a customs inspection, supervision and settlement information system. Especially, also in this period, the finance sector will launch artificial intelligence (AI) and virtual assistants in some key professional and administrative activities of the finance industry.


Also in this stage, the sector will complete integrating all the applications with the identity and access management system and integrate with the national information technology systems toward a seamless financial management system within the Government.

The financial sector has also deployed a number of major financial information systems that play a fundamental role in State budget-finance activities such as the integrated Treasury and Budget Management Information System (TABMIS), the Centralized Tax Administration System (TMS), the Vietnam Automated Cargo and Port Consolidated System/Vietnam Customs Intelligence Information System (VNACS/VCIS), and the Debt Management and Financial Analysis System (DMFAS). In the 2021-2025 period, these core information systems of the finance sector will complete a new, fully digitized version with integrated data sharing and modern identity authentication to utilize open data and big data, integrated with many modern technologies of Industry 4.0.

**Is the goal of complete digitization by 2030 too ambitious?**

At the end of the 2021-2025 period and at the start of the next period of 2026-2030, the finance sector will strive to establish a fully digitized financial system and smart finance. The vision of this stage is completing information systems for building paperless offices; building a digital finance platform based on data and open data; establishing a digital finance industry ecosystem where the Government helps create and connect with parties by opening and sharing data and digital platforms to enable multiple parties to create smart financial services.

To achieve this goal, in the 2025-2030 period, transformation to software and information technology systems will be carried out with some basic tasks such as developing the sector's decision-making support system into an important management tool.

Besides, the sector will build smart applications for professional activities; 100% of professional and operational support equipment: surveillance cameras, internet of things - based sensors (state reserves and customs warehouses), mobile 

☞ devices, robots and social network data are interconnected. Data are collected, analyzed and provided with supportive services for managers and users.

As for the digital financial application store, 100% of services for people and businesses are proactively provided by many parties under a personalized model. In this stage, AI and virtual assistance will become popular in operating, formulating, planning and evaluating policies in the Ministry of Finance and provide demand-based public financial services for people and enterprises. At the same time, public financial services are used by third parties and built into new services that are provided for customers on multiple communication channels/media.

I think successfully building a modern digital financial ecosystem by 2030 is not a too ambitious goal. The finance sector has made relatively complete preparations for a legal corridor and digital infrastructure for Industry 4.0 and its digital transformation in addition to the legal corridor and infrastructure for digital transformation, including connection infrastructure, equipment infrastructure, data infrastructure, application infrastructure, and technology development infrastructure. For seven consecutive years (2013-2019), the Ministry of Finance led other agencies in the ICT Readiness Index, showing its rapid adaptation to digital transformation in Vietnam.

**How well has the finance sector prepared for digital infrastructure?**

To be ready to apply new technologies of Industry 4.0 and carry out digital transformation, the Ministry of Finance has carefully prepared digital infrastructure in all aspects: connection infrastructure, equipment infrastructure, data infrastructure, application infrastructure and technology development infrastructure.

Regarding connection infrastructure, the Ministry of Finance has successfully built a universal communication infrastructure for the finance sector to ensure data connection and exchange for 2,737 users to serve information technology applications across the finance sector.

Regarding equipment infrastructure, the main equipment of digital infrastructure is electronic computers, including workstations, servers and laptops. In recent years, the sector's equipment infrastructure has been improved to deploy information technology applications across the sector. Currently, we are working on MOF Cloud Computing Platform.

Data infrastructure includes technology, processes, instructions, organization, operation, management and use of data. Building financial data infrastructure is implemented through the Project "Building a national financial database."

Technology development infrastructure is considered in the aspect of human resources. Currently, the sector has a total of 474 central IT and statistics employees. Basically, this workforce has met information system development, management and operation requirements of the sector.

**Thank you very much!**





## MAJOR HOANG NGOC DUONG

DEPUTY DIRECTOR OF VIETTEL CYBERSPACE CENTER



The Government-backed “National Digital Transformation to 2025, with a vision to 2030” program clearly states that the financial and banking sector - one of the areas that impact the society and people every day - needs to be given first priority for digital transformation.

With strict requirements on information, data and security management for customers, the financial and banking industry needs modern digital platforms and IT solutions of high accuracy and security. Digital transformation helps banks save costs and automate operational processes while delivering unprecedented customer experiences.

The financial and banking industry is one of Viettel’s priorities to lead and enable the formation of a digital society. The platforms and solutions that Viettel provides for the financial and banking sector are applied with the most advanced and accurate technologies in the Vietnamese market today, including the following products:

1. Electronic Know Your Customer Solution (Viettel eKYC) helps customers to open bank accounts and conduct transactions online.
2. Cyberbot Virtual Assistant Solution with Callbot and Chatbot Applications act as an electronic portal that receives and answers inquiries of customers.
3. Viettel OCR Document Digitization Solution allows converting image documents into editable documents on computers and easily extracting information when needed.
4. Reputa Reputation Monitoring Solution on cyberspace helps businesses promptly handle issues that cause brand vulnerability.
5. Voice AI Solution for customer care helps record calls, analyze them and give prompt warnings concerning inappropriate content to businesses which, in turn, improve service quality and customer experience.

We are holding the advantage of being a leading provider of digital transformation solutions and IT infrastructure with the highest security, especially served by our highly qualified engineers who are ready to solve difficult problems for businesses and support them to provide substantive products.

## Ms. DANG TUYET DUNG

VISA COUNTRY MANAGER FOR VIETNAM AND LAOS



One of the key findings is that the use of digital wallets, contactless payments via cards and smartphones, and QR code payments have all risen sharply during the pandemic. Specifically, contactless cards are leading the

way in the food and dining category, with 67% of consumers having increasingly used this method in 2020. Payments via QR codes have also soared during the pandemic, expanding the increasing impact on day-to-day categories such as bill payments (71%), retail shopping (58%), and supermarkets (57%). Mobile contactless payments have gained in popularity, with the main spikes being seen in transactions for health and fitness sector (55%). In total, 88% of consumers are aware of mobile contactless payments and 45% are currently adopting this method.

At Visa, we also worked with stakeholders to launch a multitude of programs for small business owners and support them to expand their operations to digital platforms. While Where You Shop Matters enabled SMEs to develop their online presence on popular eCommerce sites, the latest initiative Google Retail University in partnership with Vietnam E-commerce Association and Google offered an educational series involving digital and logistics solutions from Visa, Sapo, Haravan, EMS, Vietnam Post, etc. This series has seen outstanding outcomes with 3,800 participants. In a survey of 700 participants, 60% of whom say it has helped them to grow their business, with orders rising up to 56.7% and operation efficiency climbing at 63.3%.

Visa will continue to communicate the benefits of a cashless society to Vietnamese consumers. Our plan is to deploy new payment technologies by enabling payments to be made for everyone. The Vietnamese public are quick to pick up on the latest innovations, making this an exciting market for the digital economy to thrive.

# Digital Transformation Drives Higher Growth for Vietnam



Vietnam's drivers of growth are relatively clear and strongly leading. Digital transformation is particularly seen as an opportunity to improve labor productivity and expand service and product distribution networks. Mr. **Nguyen Minh Cuong**, ADB Chief Economist, gives an exclusive interview to Vietnam Business Forum on this topic. **Anh Mai** reports

**Digital transformation is both a challenge and an opportunity for Vietnam. From ADB's perspective, what do you think about this?**

Vietnam has achieved a lot in this aspect. Vietnam may lag behind in industry or services, but it is not the case for digital transformation, which is actually on par with other countries. Therefore, the opportunity to catch up and even surpass other countries in this regard is huge and the country needs to make good use of it.

As most factors for growth, especially those for labor productivity improvement, have almost run out, science, technology and digital transformation will become a vital driving force for Vietnam to continue improving growth, especially labor productivity.

Digital economy is talked about much but it can never replace the real economy. The former only supports the latter. Digital economy plus automation can increase labor productivity in processing and manufacturing industries and services, expand distribution networks and customer base.

In fact, the digital economy and the real economy are integrating. This integration poses certain risks, one of which is online fraud and virtual currency in the financial and banking industry. To overcome these challenges and risks, Vietnam needs a strict policy and legal framework and consumers must have certain knowledge.

**ADB forecast Vietnam's GDP growth at 6.7% this year, higher than the target set by the National Assembly and the Government of Vietnam. How can Vietnam achieve this growth?**

ADB is very optimistic about Vietnam's economic growth in 2021. Although the pandemic is complicated in neighboring countries, with its experience in pandemic prevention and foreign investors' confidence, and the Vietnamese people and Government's resolution to continue strong economic growth in the wake of the consolidation, it can be said that Vietnam's growth in 2021 is relatively positive.

The main driver of growth is industry, especially manufacturing, it is closely linked to exports. In addition, major economies in the world, particularly Vietnam's major partners like the United States and China, are on the path to stronger-than-expected recovery. As a result, manufacturing is forecast to expand by 9.5% in 2021 to lead other sectors.

Another important driver is investment, both public and private. Private investment is a bright spot thanks to low interest rates and increased public spending. The drivers,





**Deploying digital technologies is expected to greatly drive Vietnam's economic growth**

which are relatively clear and strongly leading, are reinforcing Vietnam's positive growth outlook in 2021, although risks are still lingering.

**What are the biggest risks to Vietnam's growth in the short and long terms?**

The biggest short-term risk to Vietnam as well as other countries is still the Covid-19 pandemic due to its notorious unpredictability. This risk is almost beyond control.

The next is vaccination deployment. Asia has a relatively low vaccination rate relative to the world, averaging 5.2 doses per 100 people, while the global average is close to 8 doses. The slow vaccination is a big risk.

In the long term, Vietnam's challenges are still climate change, institutional performance and digital transformation.

**Central banks in the world still keep easing monetary policies in 2021 to support economic recovery. How should Vietnam apply such a monetary policy?**

There are not many signs of loosening monetary policy, even possibly curbing it in 2021 to rein in real estate and stock

growth. If we look back to 2020, Vietnam's money supply (M2) growth was relatively high as compared to other countries in the region despite its GDP expansion of 2.9%. In addition, the growth of stock and real estate markets from the end of the first quarter of 2021, increased nonperforming loan (NPL) ratio after the pandemic and slightly growing inflation notwithstanding slowdown in 2020 are unsupportive of a further loosening of monetary policy in the coming months.

To support businesses, besides monetary and fiscal easing, it is important that the Government should provide more support for exporters, investors and manufacturers, especially export-oriented manufacturing, incremental investment and expansive trade.

Moreover, although the business environment has improved a lot in recent years, and business procedures and conditions have been simplified, the pace of improvement has not met the expectations of businesses. Therefore, it is necessary to pay attention to the implementation stage, how policies really come to businesses, and avoid cumbersome procedures.

**Thank you very much!**



Securities companies need to adopt advanced technologies to deliver better customer experiences

# Digital Transformation Race in Vietnam Stock Market

Frequent trading order congestion has frustrated investors and weakened the prestige of Vietnam's stock market. It is time for the stock trading system that has existed for approximately 20 years to be upgraded and methodically invested by adopting digital transformation solutions and applying new technologies.

HUONG LY

## Fixing network congestions

High liquidity since late 2020 has led to frequent order congestion on the Hochiminh Stock Exchange (HOSE). According to the State Securities Commission, the root of the order congestion comes from the existing technology system

that is capable of processing at most 900,000 orders per session and cannot work well on 20-30 million trading orders a day.

Together with the strong rally of the VN-Index, the liquidity on HOSE is as high as an average of VND16,000-17,000 billion (US\$693-US\$737 million) per day. However, since April 12, the value has already reached over VND20 trillion (US\$867 million) as HOSE has improved its operational technology to better serve input trading orders, ease system overloads and support liquidity increases.

The reason for the sudden increase in trading is partly because the Ho Chi Minh City Stock Exchange (HOSE) has made improvements in operating techniques, helping to improve the system's overload handling efficiency. The system was reduced, supporting the market to increase liquidity.

Previously, situational solutions to ease trading order congestion actively applied by regulators, HOSE and related bodies produced initial effects. Specifically, one of the solutions is increasing the board lot from 10 share units to 100 share units; supporting listings to temporarily transfer their shares to the Hanoi Stock Exchange (HNX); and listing



# Japan Authorizes Vietnam to Supervise Exported Lychees

The Ministry of Agriculture and Rural Development of Vietnam will actively work with localities to keep an open watch on actual developments and arrange plant quarantine forces to support inspection of exported lychees.

**T**he ministry will work to remove difficulties in agricultural production and business in the context of complicated Covid-19 pandemic development, especially agricultural products that are in the harvest such as vegetables, litchi and longan. It requested its subordinates to actively work with localities to keep an open watch on actual developments and arrange plant quarantine forces to support inspection of agricultural exports, especially lychee, which is about to be harvested.

Accordingly, the Plant Protection Department has focused on reviewing and updating production and output of vegetables and fruits, including lychee. The department has also urged plant quarantine units to actively monitor and closely follow actual developments and promptly notify changes in China's pandemic prevention measures that affect customs clearance time for timely settlement.

The department has also requested to arrange a plant quarantine force to support inspection of agricultural exports to avoid congestion at border gates and focused on preparing and supporting localities to export lychee to China, the United States and Japan.

Mr. Hoang Trung, Director of the Plant Protection Department, said that this year Japan authorized the supervision of lychees exported to this market to Vietnamese plant quarantine agencies. Therefore, when there are goods exported to Japan, the Plant Protection Department will send a quarantine force to localities for this purpose.

Recently, the Plant Protection Department inspected and

*(continued on P.23)*

HOSE-approved stocks on HNX for the time being. Listed companies on HOSE, when issuing shares to increase the share capital and pay dividends, will be allowed to conduct procedures for listing on HOSE.

Besides, the solution on system construction cooperation with FPT Group is still being deployed in chorus and on schedule, and is expected to completely end order congestion when it is officially operational.

In fact, the project of designing solutions for the provision, installation and transfer of information technology systems was signed by HOSE and the Korea Stock Exchange (KRX) in December 2012. The HOSE's report stated that this project can be implemented in 2021 to improve order processing speed and increase market liquidity.

## Race for digital transformation

Changes following social distancing as a result of the Covid-19 pandemic in 2020 are a testament that the race for digital transformation in the securities sector has entered a new stage.

In recent years, many securities companies such as SSI, HSC, VCSC, VNDS and TCBS have focused on improving, upgrading and investing much in technology and digital trading platforms. For example, SSI Securities Corporation completed its pilot online operation. All SSI employees work from home, all transactions and operations are performed completely in the online environment. All transaction results are smooth and unaffected to investors' interests. SSI launched new online platforms such as iBoard, SBond online, iChat and direct payment connection with six banks.

Another advantage of process digitization is the limited use of physical resources, helping reduce costs and optimize work performance. Previously, stock investors got used to online practices, from conducting demo trading, opening real accounts and depositing/withdrawing money to performing trading. Currently, products which seem to be physically transacted like bonds are also available on digital platforms, or instant money transfer systems are interlinked by multiple banks. By reducing operating costs, businesses can get more resources together to upgrade their systems to deliver better customer experiences.

VNDIRECT Securities Corporation has also applied digital technology, and recommended customers to use active and swift online trading methods through its channels like Lightning, Protrade and Mobile App.

A representative from APEC Securities Company (APS) said that APS is transforming from a traditional securities company to a digital securities company, aiming to create a non-advisor trading system and use artificial intelligence (AI) to deliver market warnings to investors. Currently, the mobile application for ABS online bond trading helps investors access information about corporate bonds, conduct transactions, and monitor and update their current investment performances.

According to experts, digital transformation will form technological utilities-based securities companies and broker-based securities companies will regress. The removal of lower-limit fees by the Ministry of Finance for securities services and technological application are important factors to open competition in securities trading fees among brokerage houses and eventually form zero-fee securities companies. ■

# Over 90% of Vietnamese Goods Available on Modern Distribution Systems

The Domestic Market Development Project, aligned with the Buy Vietnamese Campaign, in the 2021-2025 period, recently approved by the Government, has relatively ambitious goals.

Accordingly, by 2025, more than 90% of users and businesses will have knowledge of the Vietnamese Goods Identity Program called “Vietnam Pride” and over 90% of businesses will know the Campaign “Vietnamese goods for Vietnamese people” and over 70% of businesses will join this campaign.



## New ambitious goals with Vietnamese goods

The Domestic Market Department under the Ministry of Industry and Trade said that Vietnamese goods are increasingly trusted by domestic consumers. They largely cover modern distribution shelves. Vietnamese goods account for 90-93% in Co.opmart supermarkets, 90-95% in Satra, 96% in Vinmart, 95% in Hapro. The rate in foreign distribution channels is ranging from 65-96%.

Besides, Vietnamese goods are increasingly asserting their image of good quality, beautiful designs, and reasonable prices. Statistics from the Domestic Market Department showed that over 2,049 OCOP products have been recognized as qualified for three-star standards or more, including 43 potential 5-star products. Certified OCOP products were expected at over 3,800 products in 2020.

A survey by the Public Opinion Research Institute shows that 88% of consumers are interested in the Buy Vietnamese Campaign, which encourages Vietnamese people to give priority to using Vietnamese goods. 67% will prioritize Vietnamese products in their shopping lists. 52% will recommend their relatives and friends to use Vietnamese products.

However, it does not mean that Vietnamese goods are free from competition from imported rivals. The Domestic Market Development Project, aligned with the Buy Vietnamese Campaign, in the 2021-2025 period is expected to create new competitiveness for Vietnamese goods in the context of the new integration.

## Solutions to expand the market

The project focuses on developing the domestic market with such themes as “Vietnam Pride” and “Vietnam Identity” in order to keep the market share of Vietnamese products at over 85% in modern distribution channels and over 80% in traditional distribution channels and keep retail sales at over 85% of total retail sales of goods in the country.

All provinces and cities, central authorities and socio-political organizations developed communication channels (audio, video, print and electronic newspapers) with special columns like “Vietnam Pride” and “Vietnam Identity” to diffuse the campaign.

All provinces and cities will expand points of sales of Vietnam Pride

and Vietnam Identity. All central and local relevant agencies successfully built distribution chains for products made by small and medium-sized enterprises, cooperatives, and farmers to sell their products in the domestic market.

At the same time, the project also outlines four key task groups including information and communication; developing a fixed and sustainable distribution system, giving priority to Vietnamese goods; improving competitiveness for Vietnamese goods and Vietnamese enterprises; controlling the market and protecting consumers.

To achieve the above objectives, the project also introduces four main groups of solutions and development policies: Changing the community's awareness and behavior towards Vietnamese goods; supporting the development of a fixed and sustainable distribution system of Vietnamese goods; and improving competitiveness for enterprises, cooperatives and business households that distribute Vietnamese goods.

Relevant central and local agencies will develop national connection programs between manufacturers, traders, distributors and agents, as well as specific support policies to expand the coverage of goods and increase the presence of Vietnamese goods in different segments in the domestic market.

The government will focus on building strategies and policies for development of Vietnamese goods in the fields that need to be prioritized for medium and long-term development for the domestic market; and build product standards towards regional and international classes.

All authorities and sectors from central to local levels create conditions for Vietnamese enterprises, especially small and medium-sized enterprises, to access capital to upgrade technology, improve quality, lower product costs, utilize competitive advantages, and encourage them to boost production and business.

At the same time, it is also important to develop programs to raise awareness of Vietnamese enterprises about information technology impacts on their business and production activities, promoting information technology application for business in the internet environment. ■



# No Power Price Hike Now

The second quarter is the peak time of the dry season when the demand for electricity will be higher, but according to a representative of the Ministry of Industry and Trade, no power prices will be hiked for the time being.

**A**ccording to experts, if the temperature rises by 0.5 - 10C, the power consumption will increase by 2.5 - 3%. Therefore, there were concerns that electricity prices may be revised up in the near future.

Mr. Nguyen Anh Tuan, Director of the Electricity Regulatory Authority of Vietnam (ERAV) under the Ministry of Industry and Trade, said that no hike in power prices will be made for now. The ministry will keep electricity prices according to Decision 648/QĐ-BCT of the Ministry of Industry and Trade dated March 20, 2019 on adjustment of average retail electricity price and regulation on electricity selling prices.

## Eased pressure on power system

As a power pricing mechanism, the Ministry of Industry and Trade is applying the Government's Decision 24/2017/QĐ-TTg dated June 30, 2017 on retail power pricing, he said. Every year, after checking business costs of the Electricity of Vietnam (EVN), the average electricity selling price is considered and adjusted according to objective fluctuations of input parameters of all stages (power generation, transmission, distribution - retailing, operation - management and services) compared with parameters used to determine the current average selling price of electricity.

During the year, the average selling price is considered for adjustment when the basic input parameters of the power generation stage fluctuate compared to the parameters used to determine the current price. Thus, revising power prices will be based on input factors.

Mr. Vo Quang Lam, Deputy General Director of EVN, added that, with the Government's preferential policies, the power system has rapidly developed capacity since 2019. By the end of 2020, the power system capacity reached more than 70,000 MW, including 14,000 MW of renewable energy.

"In the context of the Covid-19 pandemic, electricity production and consumption decreased from previous years, and pressures on the electricity industry are not very high. Although the electricity industry has a large reserve, we are closely monitoring it to timely direct power corporations to prepare power supply plans and upgrade power infrastructure. With present preparations, if there are no special and very special cases, the power sector will ensure a safe and uninterrupted power supply in 2021 and the following years," he pledged.

## No power shortage in the dry season

In the report on electricity production and business in the first quarter of 2021 announced by EVN on April 7, its commercial power



**Vietnam gives priorities to renewable energy development including solar power, with a roadmap suitable for the development of the economy**

output reached 50.81 billion kWh in the quarter, up 3.2% year on year. The power supply management has closely followed the national and regional electricity demand.

Regarding construction investment, in the first quarter of 2021, EVN accelerated the progress of Quang Trach Power Center, 500kV transmission line 3, 500kV transmission line connecting Nghi Son 2 BOT Thermal Power Plant and 110kV projects.

On power grid investment, in the quarter, EVN and its units started 27 projects; switched on 27 110kV to 500kV grid projects (including three 500kV projects, six 220kV projects and 18 110kV projects). Urgent grid projects included energizing the power line 2 of the 500kV transmission line connecting Nghi Son 2 Thermal Power Plant to the national power system and energizing the 500kV Quang Ninh substation.

EVN expects that, in April 2021, the average daily electricity consumption reached 713.6 million kWh and the largest load capacity was 38,285 MW. Therefore, the power sector focused on performing well the task of preventing and controlling the Covid-19 pandemic and ensuring power production and supply for the economy, particularly during the National Assembly's meetings and public holidays.

The power sector will exploit coal-fired thermal power and gas-fueled turbines according to the source configuration to tap as much as possible renewable energy; regulate hydropower reservoirs in accordance with the annual plan and ensure downstream water supply for localities. Power generation corporations will ensure the highest possible availability of power turbines during the dry season. The transmission grid will be operated safely and reliably, especially the 500kV North-South line.

Regarding construction investment, in April and in the coming time, the sector will complete commercial power generation of Turbine 2 of Thuong Kon Tum Hydropower Project; start construction of expanded Ialy Hydropower Plant and Phuoc Thai 2 & 3 Solar Power Projects; and prepare the ground and conditions for starting construction of Dung Quat Power Center Infrastructure Project. For the 500kV line 3 project, EVN will urge the construction and energize the Doc Soi - Pleiku 2 section in April 2021. It will press its units to work with relevant stakeholders to make land compensation for site clearance according to the Official Dispatch 393/CD-TTg of the Prime Minister dated March 29, 2021. ■

# Package Producers Are Very Profitable



The factory of An Phat Bioplastics Joint Stock Company

Package manufacturers, from paper to plastic, in Vietnam have recorded very strong profit growth in recent years.

## Ongoing revenue and profit growth

An Phat Bioplastics Joint Stock Company (AAA) led the package industry in revenue and profit although the company suffered a decline in 2020. In 2021, the firm also approved a business plan where its consolidated revenue is expected to rise 28% to VND9,500 billion and the net profit is forecast to nearly double to VND550 billion.

Dong Hai Joint Stock Company of Ben Tre (DHC) is also becoming a phenomenon in the paper packaging industry, as it reported a continuous growth of revenue and profit in recent years. In 2020, DHC had a very impressive business performance when it recorded a 2.15-fold profit growth from the previous year to nearly VND392 billion.

In 2021, DHC aimed to obtain VND3,500 billion of revenue and VND399 billion of profit after tax. The firm planned to complete the construction and installation of machinery and equipment for its subsidiary - Ben Tre Packaging Company Limited.

Tan Tien Plastic Packaging Joint Stock Company (TTP) and Thuan Duc Joint Stock Company (TDP) also reported higher revenue and profit year after year.

TDP is currently a leading manufacturer of environmentally friendly polypropylene (PP) plastic packaging products in Vietnam. Its revenue and profit have grown strongly in recent years.

Its shopping bags, mainly for export, account for 50% of the revenue. Featured product lines include PP woven bags and PP non-woven bags; Rpet bags and cooling bags; animal feed packages; agricultural packages; fertilizer packages; and PP plastic resins. The company has Factory 1A and Factory 1B, capable of making 25,000 tons of resins and 8,000 tons of packages a year. Factory 2 can make 150 million bags for export a year. Factory 3 is capable of manufacturing 8,000 tons of packages a year. In 2021, the firm is striving for revenue of VND1,968 billion and a net profit of VND88 billion.

## Q1 optimistic earnings

AAA announced its first-quarter financial statements with growth results. Its revenue climbed 45.04% year on year to VND2,280 billion and its profit jumped 41.27% to VND89 billion.

Similarly, DHC posted net sales of VND1,017 billion, up 51.7% year on year - the first quarterly income of over VND1,000 billion. After deducting expenses, DHC bagged VND173 billion of profit, up 138% year on year. The firm's earnings per share (EPS) was VND3,027 - the highest quarterly

EPS since its stock listing.

TDP reported the first-quarter revenue at VND467 billion, up 52% year on year, and the net profit of over VND30 billion, more than double the first quarter of 2020. The company said that, in the first quarter of 2021, the domestic market was robust thanks to packages used in husbandry and agriculture. The shopping bag export recovered strongly.

Previously, according to SSI Securities Corporation (SSI), paper packaging consumption in Vietnam is expected to expand by 12% in 2021-2025 thanks to ongoing urbanization. SSI forecast that the country's urbanization was estimated at 40% in 2024 as compared to 37% in 2019. The paper packaging segment also benefited from Vietnam's rapid e-commerce growth.

Meanwhile, the growth of the plastic packaging segment in Vietnam in 2021 will depend on the growth of food and non-alcoholic beverages. The growth of plastic packaging for foods and for non-alcoholic beverages are estimated at 15.2% and 13.1%, respectively. According to analysts, in Asia, the demand for plastic packaging products will continue to grow and serve as the main growth driver for the plastic packaging segment in Vietnam when it exports to this market.

Although packaging is an auxiliary industry for many manufacturing industries, it plays an important role and contributes significantly to economic development. Packaging, coming in many images, colors, and unique characteristics, not only preserves and makes convenience for products, but also directly affects shopping behavior of customers. ■





**(from P.19)**

assessed two lychee processors that export their products to Japan. In addition to certified facilities in Bac Giang province, this year, two facilities in Hai Duong province will be certified. Up to now, farming area codes and packing facilities in these localities are all ready to export lychee to foreign markets. In addition to enterprises that have cooperated for lychee export in previous years, the Plant Protection Department will continue to contact enterprises to coordinate with localities in registering area codes for purchasing commodities for export.

"Localities have been very active in the preparation work. The Bac Giang Department of Agriculture and Rural Development also contacted the Plant Protection Department for preparatory stages to export lychee to China, as well as some markets such as the United States and Japan. Especially for the Japanese market, this year, they authorized supervision to quarantine agencies of Vietnam. The department worked with Bac Giang province to start when the Japanese side requested that it will send staff to support the province to carry out quarantine procedures as it had done in previous years," he added.

At a meeting with the ministry's affiliated units earlier this week, Deputy Minister of Agriculture and Rural Development Le Quoc Doanh stated that the Agro Processing and Market Development Authority under the ministry worked with relevant bodies to report to the Minister on the online meeting with some key localities and large enterprises to discuss solutions to promote production and consumption of lychee, longan and some other vegetables and fruits in the domestic

market amid the Covid-19 pandemic outbreak, so as to keep agricultural exports, including fruits, unaffected by the pandemic.

Deputy Minister Le Quoc Doanh also stated that the Agro Processing and Market Development Authority should host an online conference with counselors and Chief Trade Representative of Vietnam in China to discuss plans to export vegetables and fruits to China, including lychee; inspected fruit and vegetable consumption and export in key border provinces to promptly grasp situations and take active response measures to boost consumption and export amid the Covid-19 pandemic.

"Hai Duong and Bac Giang lychees are on e-commerce platforms for the first time, so they need to actively prepare well in terms of quality and quantity. The authority must work closely with the two localities to know difficulties and anticipate pandemic development to figure out likely scenarios. The authority needs to make a specific scenario for the Chinese market and host a meeting with counselors there. It will also need to work with large lychee traders and exporters to know their hardships and find solutions with them. The domestic consumption plan must concentrate on major supermarkets," he added.

Deputy Minister Doanh also noted that the National Agro-Forestry-Fisheries Quality Assurance Department (NAFIQAD) continued to guide, support, and have feasible and timely solutions to facilitate distribution, import, export and consumption of commodities, especially raw materials for production and trading of agricultural products in localities affected by the Covid-19 pandemic. ■



# Toward an End-to-End Digital Bank



Like other lenders, An Binh Joint Stock Commercial Bank - ABBank embarked on building a digital platform, creating a launchpad for an end-to-end digital banking model. Mr. **Le Hai**, General Director of ABBank, gives an exclusive interview on this aspect to Vietnam Business Forum. **Anh Mai** reports.

**Banking digitization is a development trend. What do you think about this trend and its development potential?**

Digital technology is fundamentally changing how financial and banking services are provided. In the world, banking digitization is a strong and clear trend. In Vietnam, most banks are in the early stages of digital transformation, meaning integrating various digital processes to provide customers with 'personalized' experiences. Up to 94% of domestic banks are being digitally transformed, with about 42% regarding digital banking as a business strategy. In the past five years, mobile banking payment has grown very strongly, by 144% a year, while other traditional forms of payment have expanded by only 40%. According to forecasts, the race for digital transformation in Vietnam in the next five years will be very fierce and extremely fast.

The successful development of digital banking services can enable banks to make complete changes: Providing products and services, renovating the distribution channel system, expanding product portfolio, enriching customer experiences and deepening customer understanding of banks to deliver services to a wider audience at lower costs and enhance banks' performance and employee performance.

**How have you carried out digital application at ABBank and what values has it generated?**

According to the government's direction, in 2020, ABBank carried out consistent solutions to digitize and attract users to digital channels

like “Planning and launching the AB Ditizen application for digital citizens; continuously optimizing experiences, service quality, products and utilities to maximize user demands; issuing promotional programs and policies to bring maximum interest benefits to customers.”

In addition, we have focused on upgrading and digitizing internal professional processes on credit appraisal, lending and operation to reduce customer service time and optimize operating costs. Thus, it has resulted in a strong growth of AB Ditizen active users. Some impressive results include: The number of new customers activating the AB Ditizen digital banking application has increased by 250% compared to 2019. Customer retention has been greatly improved, with the percentage of customers leaving close to 0%. Digital banking exceeds targets set by the General Meeting of Shareholders. Or, the AB Ditizen Roadshow launched by ABBank on April 25, 2021 introduced AB Ditizen digital banking services to users in 15 provinces across the country to set a record number of new account openings - about 20,000 accounts after just three days, especially new customers and young customers. Customers highly appreciate the benefits that AB Ditizen application is providing.

**Could you introduce your development plan?**

Digital transformation will continue to be one of our key strategies in 2021 and beyond.

Specifically, we have synchronously expanded customer service channels with convenient, smart digital products and streamlined automated internal processes. Then, customers can experience the best banking products and services in the quickest manner, using technology and artificial intelligence (AI). For example, we have launched eKYC (electronic Know Your Customer) - digital identity technology, helping customers manually open an account remotely without a physical visit to a transaction counter and allow them to open accounts with the same phone number, date of birth; we have promoted the development of virtual cards and lending via digital channels; applied user-needs assessment and analysis based on big data using AI technology and machine learning; activated the virtual assistant to learn about investment and insurance; automated credit ratings and treasury

operations; and applied potential customer management.

These are what ABBank and other banks need to do in the next 3-5 years to centralize and optimize their operations to develop in the correct digital format.

**Together with digitization, conventional banking has been a strength of ABBank for years with diversified and flexible interest rate programs. Could you please tell us about your service programs in the coming time, especially for SMEs?**

We always respect and execute policies on credit and interest rates as directed by the State Bank of Vietnam (SBV). We actively monitor monetary and financial developments to promptly work out market-based solutions on deposit rates and encourage cash flows for businesses. With the support of medium and long-term capital from foreign strategic shareholders, ABBank balances capital sources and offers loans with competitive interest rates for customers, especially individual customers and SMEs.

In addition to the interest rate support, we have improved service quality, expanded the customer base and increased products per customer, thus promoting and increasing the share of service fees in total income. To achieve this goal, we will focus on digitizing products, services and internal operations to provide customers with best experiences with a fast process. Furthermore, the bank will also invest in developing specialized products and punched products for customers using guarantee, international payment, foreign currency trading, insurance and bond services. Last but not least, we have deployed "DealTeam" consultants who are knowledgeable and experienced in tailoring products and services for each corporate customer.

As for SMEs, we plan to shift the customer focus segment from microenterprise to SMEs; increase products per customer; and revise regulations and programs to promote guarantee fee collection. Especially, we aim to build a business community and ABBank ecosystem to create and bring business cooperation opportunities for ABBank and its customers as well as business opportunities between its customers.

**Thank you very much!**



# MB Accelerates Digital Transformation in 5-Year Vision

The market price of MBB stock more than doubled in a year. The shareholders of the Military Bank (MB) will have another successful year as the bank made a consolidated profit of nearly VND4,600 billion in the first quarter of 2021, more than doubling the value in the same period of 2020. As a leader of digital banking development, MB has many advantages to achieve bigger targets.



## One million new users, customer experiences help MB improve performance

MB reported that its Current Account Savings Accounts (CASA) of personal customers in the year to March 31, 2021 grew by up to 1.5 times from a year-ago period when new customers increased by nearly one million. This growth proved CASA's steady growth in the retail segment from 2020 (doubling that in 2019). CASA improves and creates advantages in low-cost capital for its operations.

In the first quarter of 2021, MB made a big step forward when its pretax profit reached nearly VND4,600 billion, equal to 43% of the result in 2020. All indicators performed well in 2020: ROA of 2.7% (versus 1.59% in the first quarter of 2020), ROE of 27.24% (vs 16.09%), non-performing loan ratio of 1.14% and provisional fund greater than 144% of nonperforming loan.

Previously, in 2020, MB made an outstanding success as the customer base increased marvelously, reaching 90 million electronic transactions recorded, three times higher than 2019 and 85% of transactions were conducted digitally. Strong brand and reputation plus its smart digital platform gave MB a special advantage in attracting new customers.

In the international arena, MB was periodically reviewed by two independent

## Creating an ecosystem of 20 million sustainable customers

*The MB Board of Directors planned to define the 'most convenient bank' vision with the business philosophy "Digital acceleration, retail breakthrough and safety and efficiency" in the next 5-year strategy. The bank will strive to become No.1 in digital banking and a Top 3 retail bank in the Vietnamese market. MB will continue to develop into a dynamic financial and banking group and create an ecosystem of 20 million sustainable customers.*

credit ratings agencies, Moody's and Fitch. In the context of the Covid-19 pandemic, Fitch Ratings upgraded MB's Long-Term Issuer Default Rating (IDR) to "Stable". Furthermore, MB obtained B+ for long-term credit ratings from Fitch and Ba3 from Moody's (similar to that of VCB).

Domestically, MB ranked among Top 30 largest companies in Vietnam on the VNR500 rankings and Top 6 listed companies by market capitalization on the Vietnamese stock market (according to IR Awards 2020). For shareholders, while people were struggling with unexpected difficulties, MB still paid 15% stock dividend for its shareholders in 2020.

## Digital acceleration in the 5-year horizon

The leadership vision for digital banking development has helped MB stand firmly in business and deliver value to customers, shareholders and the community. MBBank application, Biz MBBank application and digital lending products have created seamless capital flows in the economy, fostered online business and generated valuable connections (such as API Banking, connecting healthcare, education, transportation and public services); banking services linked to payment ecosystems; digitized savings and lending services, international money transfer, tax payment and customs).

The bank's launch of smart financial products has brought direct experiences with the digital economy that all Vietnamese people must prepare to integrate into the global economy. In fact, the 'bank account matches telephone number' program on the MBBank application has attracted great attention from the community and customers.

In the 5-year strategy (2017-2021), MB prematurely completed its target of becoming a Top 5 commercial bank in performance and operational safety. Positioning the vision and goals for the next five years is a big story that will be submitted to the upcoming Annual General Meeting of Shareholders by the Board of Directors.

"A long journey begins with a single step". The foundation built by MB matches the expectations of shareholders and investors. The bank will take quicker and firmer footsteps than its competitors in the market. ■



# Smart Financial Management Platform with a Focus on Best User Experience

Established in 2015, Timo was the first digital banking platform in Vietnam to offer customers a unique banking experience coupled with products & services to make their banking life easier and hassle-free.

**T**imo has emerged as a leading non-conventional bank in the country with a digital-first mindset. Our mission is to improve the financial lives of our customers so they can successfully achieve their goals and dreams in life. The goal here is more than providing any specific banking service, but instead bundling them all together and providing personalized services to make daily tasks easier regardless of the device used.

Timo's performance across four pillars - Customer Experiences, Innovation, Security, and Partnerships - will be key to our growth. We understand that it requires more than just technology to stay ahead in this competitive landscape. We must understand where customers need banking and financial services and work closely with partners to bring a relevant value proposition to the customer right there and then. We do this by providing customers with the greatest convenience. This means whenever, wherever, real-time access to their accounts, plus flexible, nimble and valuable products and services to stay ahead of customers' evolving needs.

Unlike typical banks in Vietnam, Timo also piloted the eKYC (electronic Know Your Customer) sign up process via the Timo App, which can be completed in less than five minutes, followed by a 15-minute physical visit to any of our Hangouts nationwide, where a "wet signature" and Debit Card are collected (as required by the State Bank of Vietnam). New members can enjoy a complimentary beverage at the Hangout while verification is completed, and then walk away with a Debit Card.



Most importantly, this customer experience and customer-first approach allows Timo to demystify the complex banking environment and deliver a simple, user-friendly and valuable banking platform accessible on iOS and Android and through a web app. Safety measures like authentication are also streamlined, with multi-level security protocols like Fingerprint Login, Face Recognition, Card lock/ Unlock in app, iOTP in the App, and OTP via SMS, to ensure customer funds are safe.

Timo aims to provide a smart financial management platform with a focus on the best user experience. With its intuitive and user-friendly interface, users can conveniently send and receive payments, manage savings and investments, borrow money, and create financial plans. To accomplish this mission, Timo has found a suitable, long-term strategic partner in Viet Capital Bank, which provides not only the core banking systems but also shares our vision of creating the best digital banking platform for the increasingly sophisticated customer base in Vietnam.

In its five years of operations, Timo has been recognized for its innovative efforts and was named "The Best Digital Bank in Vietnam" in 2019 by Asia Money and "Best Digital Bank in Vietnam 2021" by International Business Magazine. Timo has also achieved a remarkable double first, with The Global Economics awards - #1 in Fastest Growing Digital Bank 2020 and #1 in Most Innovative Digital Bank 2020 in its ongoing digital banking transformation - further cementing its maturity and proven success in improving the banking landscape in Vietnam. ■





## LONG THANH IZ

# Minimizing Cost, Optimizing Profit, Providing Best Support to Tenants

After more than 17 years of operation (2003 - 2021), with the resolution of Dong Nai province and the prestige and strong financial capacity of the investor - Sonadezi Long Thanh Joint Stock Company (a member of Sonadezi Corporation - a giant industrial park developer), Long Thanh Industrial Zone has achieved tremendous success and become an ideal destination for domestic and foreign investors, creating a driving force for local economic restructuring.

**PHAM ANH TUAN**

GENERAL DIRECTOR OF SONADEZI LONG THANH JSC

### **Ideal destination**

Long Thanh Industrial Zone, covering 488 ha, is developed as a completely new industrial urban model featuring many distinct advantages over other industrial zones. With a well-positioned location, modern planning, synchronous investment infrastructure, convenient traffic connection, flexible product design, and professional and enthusiastic personnel, right after going into operation, Long Thanh Industrial Zone focused on cooperation with many domestic and foreign investors. Up to now, 124 projects have invested US\$1,155 million and hired 248.71 ha of land in Long Thanh Industrial Zone. Tenants in Long Thanh Industrial Zone come from South Korea, Japan, the United States, Australia, Taiwan, France, Denmark and Vietnam, and are operating very effectively. World-renowned tenants include Bosch Vietnam, Olympus Vietnam, Ajinomoto Vietnam, Acrowel Vietnam and Aurolle Fine Chemical Products. They have helped raise budget revenue, increase export and import value for Long Thanh Industrial Zone in particular and Dong Nai province in



general, and generate jobs for about 10,000 local workers.

In addition to its efforts to draw investment funds into Long Thanh Industrial Zone, for many years, Sonadezi Long Thanh has devotedly developed Tam An Industrial Urban Area in the vicinity of the IZ. Having been effectively implemented, this project has greatly benefited the customers of Long Thanh Industrial Zone. With a diverse product structure including villas, townhouses and land plots, Sonadezi Long Thanh has provided residential products that are fully integrated with utilities, reasonable prices and good locations. In particular, the workers' dormitory blocks built right inside Long Thanh Industrial Zone have become a highly social product, helping investors to stabilize accommodation for more than 4,000 workers, thereby helping encourage longer term commitments. Sonadezi Long Thanh said that the development of Tam An Industrial Urban Area is also aimed at the long-term goal of increasing local labor resources, meeting the needs of employers and sustainable development of investors in Long Thanh Industrial Zone.

To achieve current investment results, since its inception, Long Thanh Industrial Zone has always been granted timely support from Dong Nai province, Long Thanh district and Sonadezi Corporation - a leading infrastructure investor and developer in Dong Nai province. Furthermore, the industrial park also creates a competitive advantage with flexible business policies and diverse support services; supports investors to carry out investment procedures, apply for investment certificates, construction permits and business licenses in the shortest time; constantly improves service quality and customer care and fulfills commitments to investors who may recommend their partners to the industrial park in return. Sonadezi Long Thanh always actively offers appropriate solutions so that tenants will receive best support and incentives to start their operations, as reflected in flexible payment options, competitive land rentals and attractive tax incentives (exempting corporate income tax for two years and a 50% reduction in the next four years). This combination of the above advantages has helped Long Thanh Industrial Zone effectively promote all values, all available potential and strengths and achieve extraordinary success, thus becoming an ideal destination for investors in Dong Nai province.



## Grasping opportunities

Anticipating the huge demand for land and factory lease from foreign investors relocating their manufacturing facilities from other countries into Vietnam, Sonadezi Long Thanh prepared industrial factories for lease in Long Thanh Industrial Zone (Dong Nai province) and Chau Duc Industrial Park (Ba Ria - Vung Tau province), helping investors reduce costs and start-up time to quickly go into production. Mr. Pham Anh Tuan, General Director of Sonadezi Long Thanh Joint Stock Company, said transportation costs currently account for a very high share of operating costs. Thus, in its factory development strategy, the first factor that Sonadezi Long Thanh takes into account is the location for smooth connectivity to traffic and trade to significantly reduce time and shipping costs for customers. Based on these prerequisites, the company decided to invest in industrial workshops for rent in Long Thanh Industrial Zone and Chau Duc Industrial Park, which have geostrategic locations and convenient traffic infrastructure for customers to reduce transport requirements.

Long Thanh Industrial Zone has to date leased 51 factories covering 26 ha. In Chau Duc Industrial Park, Sonadezi Long Thanh also signed a contract to lease three out of five factories (in phase 1) and continued to market for the next phases of the project. Needless to say, with the decision to invest in industrial factory development in Dong Nai province and Ba Ria - Vung Tau province, among the Top 10 biggest recipients of investment funds, Sonadezi Long Thanh's products benefit greatly from local infrastructure systems, especially transport infrastructure linked to Long Thanh International Airport, highways, deep-water seaports and other key national projects. "With these advantages, we will also focus on enhancing the brand reputation of Sonadezi brand in general and Sonadezi Long Thanh in particular, and focus on product development toward quality, convenience and diversity to meet all customer needs in new conditions. This is also how we persistently accompany investors to success and help them to minimize costs, optimize profits, quickly have stable operations and develop effective business," said Mr. Tuan. ■



# Regarding Technology, Personnel as Foundation for Sustainable Development



Product research and development at Imexpharm

During four decades of constant development and innovation, Imexpharm Corporation has affirmed its brand and become one of the leading brands of the Vietnamese pharmaceutical industry. Since its inception, all the staff has built up a hall of fame with many impressive achievements. Imexpharm has not only rapidly developed its business plans, spacious facilities and modern advanced machinery, but also attached great importance to taking care of the material and spiritual life of employees.

VAN LUONG

## Innovation makes the name

Imexpharm always takes the lead in new technology investment and synchronous modern equipment upgrading. In 2013, Imexpharm applied SAP to its governance system and applied over eight modules, then DMS to its distribution system and most recently BASE to office work. Imexpharm's product quality complies with the strict requirements of the British Pharmacopoeia (BP), the European Pharmacopoeia (EP) and the United States Pharmacopoeia (USP), made by modern production lines and inputs imported from Europe, the United States, Japan, South Korea and others.

Imexpharm has greatly improved its stature and position in the Vietnamese pharmaceutical industry. Since its inception, with the complete consensus and effort of all the staff, Imexpharm has undergone fundamental operational changes to weather the storm to catch up with national economic development trends. Overcoming all challenges, Imexpharm's leaders have always persistently pursued the mission of providing the market with the safest, best pharmaceutical products and delivering satisfaction to the community and the whole society.

It is easy to see that all Imexpharm products, with high responsibility to the community, have enabled the development of the Vietnamese pharmaceutical industry in general and the sustainable development of the company in the future. More





importantly, Imexpharm has built a sustainable production and supply chain that makes products of outstanding quality. Imexpharm has heavily invested in technology and production processes that are up to date with international standards and environmentally friendly. Therefore, Imexpharm deserved to be chosen by the Dong Thap Provincial People's Committee as a potential actor for sustainable development. With strict compliance with all hygiene and safety principles for customers' interests and health, Imexpharm's products have been voted "High-Quality Vietnamese Goods" by customers for many years.

2021 is forecast to be another tough year as the economy is still affected by the Covid-19 pandemic on a global scale. However, with much growth potential, the Imexpharm leadership has targeted the revenue of over VND1,530 billion, up by 10.7% from a year earlier, and the profit before tax and the Science and Technology Development Fund are expected to reach VND290 billion, up 13.7%. To achieve the targets set for 2021, Imexpharm will focus on solutions on market, input, production, cost management and human resources. As for production, the corporation will adopt Industry 4.0 to advance products and distribution systems to minimize environmental impacts.

### Corporate culture as the foundation

In addition to focusing on business development, Imexpharm attaches great importance to building and developing corporate culture and considers it a golden factor for the success of the company. Along with market and economic development, building corporate culture is an essential but challenging task. Imexpharm has determined that this work is critical because the leadership and the staff are deeply devoted to embodying the Imexpharm culture.

Without a doubt, its current success comes from how Imexpharm promotes its personnel strengths. Being aware that human resources are a precious property, and the core of success and sustainable development for the corporation, Imexpharm pays great attention to creating favorable conditions for each individual to develop and maximize their capacity. In particular,

the firm always seriously improves the material and spiritual life of its employees, ensuring that all of them can live and work in the best environment where they can apply their capabilities to the fullest. Each employee is encouraged, motivated, and facilitated to improve their qualifications, expertise and skills. Imexpharm has promoted scientific research movements and technical innovation initiatives, making an important contribution to technical improvement, technology application and product design diversification. From these efforts, Imexpharm has so far built a harmonious working environment and a close bond between the leadership and the staff.

The core of Imexpharm's success stems from its people. If a company is like a tree, its employees are the root system, the source that nourishes the tree to grow. If the roots are strong, the tree will grow well, bloom and bear fruits. This is the case for Imexpharm. To survive and develop, we must rely on human resources, which are seen as the driving force for growth.

To enhance governance and strengthen sustainability of Vietnam's pharmaceutical manufacturing industry, in the coming time, Imexpharm will build solutions with a focus on branding development and good relationships with traditional managers and customers, adopting appropriate business strategies and researching disease developments and treatment needs to make the best products. The corporation will concentrate on researching target customer groups to identify their specific requirements and current requirements and future needs for products in order to better meet their needs. Imexpharm has seriously improved product quality, applied solutions to reduce costs, and make products at reasonable prices and competitive prices. Besides, it has developed high-quality human resources to meet current and future business requirements.

Elite human resources, advanced technology and modern governance lay a solid foundation for Imexpharm to successfully utilize Industrial Revolution 4.0, maintain its leadership in the Vietnamese pharmaceutical industry and greatly contribute to national integration and development. ■





THANH LIEM CO., LTD

# Trusted Partner of Investors



Headquartered in Bu Dop district, Binh Phuoc province, Thanh Liem Co., Ltd is an experienced and prestigious enterprise engaged in building bridges and roads; retailing petroleum products; and investing and trading real estate. Currently, the company has 34 employees whose regulatory insurance benefits are ensured.



In construction, Thanh Liem is a contractor for many traffic projects in Binh Phuoc province. Construction projects performed by the company always meet quality, progress and technical and artistic requirements. Particularly, Provincial Road 759B (Bu Dop - Hoang Dieu Border Gate), completed in 2020, is highly appreciated by provincial leaders. This is an important route not only for Bu Dop but also for the whole province, helping improve freight transportation capacity, socioeconomic development and investment attraction.

With many years of experience and prestige, Thanh Liem Co., Ltd was assigned to invest in Thanh Binh Residential - Commercial Area (6.1 ha). This is the first urban residential project in Bu Dop district. The well planned facility is equipped with adequate electricity, water supply, drainage and greenery to create a highlight for urban development.

In the coming time, Thanh Liem Co., Ltd will study and propose more urban projects in Bu Dop and other districts, while focusing on transport and industrial zone infrastructure projects in the province.

Director To Van Liem said, "With the business philosophy of Safety, Progress and Quality, we have always gained the trust of investors in construction and operation." ■



# Flexible, Creative Approach Needed for Voluntary Social Insurance Development

As the Covid-19 pandemic has affected all aspects of economic and social life and significantly impacted voluntary social insurance development of the Vietnamese social insurance industry, Vietnam Social Security (VSS) has actively made efforts to overcome difficulties, carried out creative and appropriate communication and advocacy solutions, ensured the “dual goals” of effectively increasing voluntary social insurance participants and preventing Covid-19 pandemic contagion.

## HUONG THOM

**M**ay 2021 is the second edition of the “universal social insurance development month” according to the Prime Minister's Decision 1676/QĐ-TTg approving comprehensive reform of contents, forms and methods of social insurance communication. The month is aimed to offer social insurance for all people; highlight communications on social insurance policies and laws; attract the attention of all people to social insurance policies, especially voluntary social insurance policies; inform and encourage people to buy social insurance to fulfill the goal of universal social insurance; educate, motivate and raise the sense of responsibility of employers of buying social insurance for their employees.

The Covid-19 pandemic continues to develop complicatedly, but the VSS has applied flexible solutions to actual developments to increase buyers of voluntary social insurance right from the beginning of the year. As a result, by the end of April 2021, voluntary social insurance policyholders reached 1.12 million, slightly lower than the end of 2020 due to Covid-19 pandemic impacts.

Some localities have well increased buyers of voluntary social insurance, including Nghe An (9,499 policyholders more than the end of 2020 and 34,471 policyholders more than a year ago), Thai Binh (4,547 policyholders and 16,623 policyholders, respectively), Phu Tho (3,679 policyholders and 17,575 policyholders, respectively), Thanh Hoa (2,655 policyholders and 30,676 policyholders,



respectively), and Quang Nam (1,861 policyholders and 12,922 policyholders, respectively).

The “universal social insurance development month” themed “social insurance for all workers” is accelerated by the social security sector, aligned with traditional communication contents on position, role and humanity of the social insurance policy, particularly emphasized rights and benefits of voluntary social insurance policyholders, thus conveying many meaningful messages to the masses such as “Moving toward the goal of universal social insurance is to build a sustainable social security”, “Participating in social insurance is an investment for the future”; “Social insurance helps you reduce financial difficulty when facing risks in life”; “Retirement and health insurance - Financial support in old age”; “Participating in social insurance is protecting the life of each family”. The target is farmers and workers in the informal sector.

To have practical activities in response to the month and achieve the target of developing social insurance policyholders and voluntary social insurance policyholders in particular in May and in 2021, apart from proposing better improvement for social insurance policies and laws, the VSS has carried out consistent solutions to develop policyholders: Strengthening the coordination of Party committees, authorities and the whole political system to promote the voluntary social insurance policy; specifying plans and objectives for each commune, ward and collection agency.

The VSS has reviewed, classified and detailed data on potential customer groups (by age, gender, occupation and

*(continued on P.36)*





# Promoting Smart, Globally Integrated and Sustainable Agriculture

The National Target Program for New Rural Development has become a vibrant movement nationwide, produced many important achievements and realized all targets nearly two years ahead of time, helping raise the people's spiritual and material life, give a facelift to the countryside and improve socio-economic infrastructure.

## BAO NGOC

The second phase of the “whole country works together for the new countryside development” movement in response to the Prime Minister’s call was scaled up with richer contents and more diverse forms to become a popular mass movement. Provinces and cities have launched emulation movements, using many methods that match their practical situations, to realize key tasks: Rearranging land to form larger farming plots, expanding production, building infrastructure and traffic systems, applying science and technology to production, developing organic agriculture and smart agriculture. Central agencies have actively built mechanisms and policies; developed support and incentive programs and plans; and mobilized organizations and individuals to engage in agricultural and rural development investment: Training and transferring scientific and technological advances to farmers; boosting cooperation and market expansion for agricultural products; implementing affiliate programs; and launching vocational training for rural workers.

According to the Ministry of Agriculture and Rural Development, new rural development in 2021-2025 must reach a new plane, in a comprehensive and sustainable direction, with a focus placed on improving the quality of rural socioeconomic infrastructure and raising the spiritual and material life and living environment of rural people as compared to the previous period. The country must develop a smart, globally integrated, climate-adaptive agriculture that makes high added value, grows sustainable and supports new countryside development. It must strive to realize the goal of building prosperous agriculture, wealthy peasantry, and a civilized and modern countryside; applying information technology, science and technology, especially digital technology, to narrow the quality of life gap between rural and urban areas.

Mr. Nguyen Minh Tien, Director of the Central Coordination Office for the National Target Program, said, digital transformation is an indispensable trend to build a modern, civilized countryside. Digital transformation and information technology application was also deployed for new countryside construction in some localities but this work remained largely spontaneous. Digital transformation for smart rural development is an essential development trend. Therefore, if we lack innovations and adaptation, the countryside will be left behind. Digital technology has no physical borders and no geographic barriers, all in one marketplace in a flat world. Therefore, if we can foster development, we can reduce the gap between urban and rural areas. For example, in new countryside construction, we have many information technology applications as applied in many localities like installing security camera systems such as Can Tho and Dong Thap instead of security personnel.

Instead of passively letting localities implement the program in their own different ways, we need to take an active, comprehensive approach with appropriate steps and roadmaps to build a more sustainable countryside. In agriculture, there is a need for a good data system concerning cultivated areas, area codes, family codes, bar codes, product digitization for easier control and information. We can assess basic foreseeable impacts on the environment and even analyze the time for fertilizing and controlling diseases to supply, compensate and regulate production, he said.

Recently, the Ministry of Agriculture and Rural Development and the Ministry of Information and



Automatic watering system

## AGRICULTURE-BASED STRATEGY

# Vital in Industrialization and Modernization



**Delegates at the meeting to review the 15-year implementation of the Party Central Committee resolution on agriculture, farmers, and rural areas**

The Central Economic Committee recently hosted the first review meeting on the implementation of Resolution 26-NQ/TW of the 7th Central Party Meeting (10th tenure) on agriculture, farmers and rural areas.

### NGOC DAN

**I**n the document of the 13th National Party Congress, the matter on agriculture, farmers and rural areas was emphasized and clearly stated. Important contents include accelerating agricultural restructuring, rural economic development in line with new countryside development; developing commercial agriculture on a large scale so as to modernize and apply high technology, increase added value and

sustainable development. The congress also encourages ecological, organic, smart, high-tech and digital agriculture adaptive to climate change. The National Target Program on New Rural Development will continue to be implemented in line with the urbanization process in a substantive, effective and sustainable manner.

Reviewing the enactment of Resolution 26-NQ/TW and developing a replacement, to be submitted to the 5th Meeting of the Party Central Committee (13th tenure) in early 2022, shows the necessity and significance of this aspect to national development in the coming time.

Addressing the conference, Mr. Tran Tuan Anh, Chairman of the Central Economic Committee, and Head of the Steering Committee for review of Resolution, chaired the meeting and emphasized that the matter on agriculture,

farmers and rural areas is always of special importance to socioeconomic stability and development, a strategic actor in the process of national industrialization and modernization and in the cause of the Party-led revolution. With such an important role and significance, the Party always advocates developing agriculture and rural areas and constantly improving farmers' livelihoods.

Appreciating constructive ideas from participants, he suggested all stakeholders foster their creativity in a drastic, urgent, serious approach to complete given progress milestones. What has been done and what has not been done, as well as lessons learned, will be reviewed thoroughly, comprehensively and deeply to figure out new points to open the way and pave the way for utilizing and promoting human resources and natural and social conditions to serve agricultural and rural development in the context of globalization, climate adaptation and urbanization. The goal is to build a new resolution to open up a new era of agricultural, rural and farmer development, said Mr. Anh. ■

Communications put forth digital transformation for new countryside development. This is the first time the two ministries placed digital transformation as a focus content, specifically in the National Target Program for New Rural Development for the 2021-2025 period.

In the coming time, the Minister of Planning and Investment and the Chairman of the Central Appraisal Council will appraise the report on investment policies on digital transformation in new countryside construction. If accelerated, we will be able to overcome some shortcomings and address upcoming challenges

for new countryside construction, with the first investment being connectivity infrastructure. Especially for rural areas, 3G and 4G coverage, as well as broadband connectivity remain weak. The Ministry of Agriculture and Rural Development and the Ministry of Information and Communications will unanimously provide 4G and 5G coverage in rural areas, helping local people get connected to the internet at a reasonable cost. The latter set a target that every citizen, every family use a mobile phone, especially smart phones. To do that, it is essential to do well with the core work of building data infrastructure. ■



# Strong Wide-Spread Effects



Currently, all 63 provinces and cities have deployed their own One Commune One Product (OCOP) programs. 60 of them have classified their OCOP products, 4,733 of which are qualified for 3 stars upward (62.16% are 3-star products, 36.1% are 4-star products and 1.74% are potentially 5-star products).

MINH NGOC

## Thriving rural economy

After three years of deployment, the OCOP Program has become a central, influential policy engaged by the entire political system and a priority solution in rural economic development in all localities in the country. It has produced positive impacts on socio-economic development in rural areas, tapped local potential and strengths in distinctive specialties and cottage industries developed from advantageous production conditions, raw material areas and traditional cultures to increase the value of OCOP products. Typical examples include Shan Tuyet Hoang Su Phi tea in Ha Giang province, Tan Cuong and Thai Nguyen tea, Son La coffee and Soc Trang rice. The program has facilitated production standardization and improved product quality. Nearly all OCOP products have commercially standardized brands and packages which show increasing production levels of farmers. Many cooperatives and enterprises have built material zones and gradually shifted from smallholding production to a closed value chain. Currently, 393 OCOP product value chains are operating effectively, helping raise production levels and incomes for rural people, especially in remote and ethnic minority areas.

According to the Central Coordination Office for the National Target Program on New Rural Development, certified OCOP products increased in value, helped producers scale up operations and revenue, preserve and promote handicraft and cultural values for rural economic development. Through the OCOP Program, they have gradually transformed smallholding

*(from P.33)*

income, among other factors) to make effective communication approaches; continued to diversify forms of communication like conferences, seminars, contests, consultations and dialogues, with a focus on target groups to the grassroots level; continued to train professional guidance, communicative skills for insurance agents; assigned specific weekly and monthly targets of voluntary social insurance policyholder development to each agent; and reviewed and terminated unsuccessful agents. In addition, it has concentrated on calling on the business community, benefactors, agencies and organizations to contribute, support, buy and present voluntary social insurance policies for people to achieve the sustainability of social security policy for all.

At a recent online conference on collection and development of social insurance and health insurance in

May 2021, VSS Deputy General Director Tran Dinh Lieu requested insurance bodies to cooperate with postal and health services to use flexible, innovative measures right from the grassroots level; further play the advisory role in social insurance development, engage Party committees and local authorities, especially at the grassroots level, to increase policyholders. Given that the Covid-19 pandemic is prolonged and complicated, they must clearly know that they may face hardships frequently; further improve performance forecasts on a quarterly, yearly and three-year period basis; and define potential target groups for a reasonable and effective plan and approach.

Saying that communication is a prerequisite, Mr. Tran Dinh Lieu requested social insurance agencies of provinces and cities to work out communication scenarios for each target group, with specific communication content and forms suitable for each target group to increase voluntary social insurance policyholders. ■



production into a closed value chain, especially when cooperatives and SMEs are in place. On the other hand, the program has created many jobs and promoted rural economic development. Typically, OCOP producers in Quang Ninh province employ over 3,800 full-time workers and OCOP producers in Ha Tinh province create 2,196 jobs.

### Spreading OCOP program

The OCOP program, however, still poses many difficulties. As a new program concerning many fields, especially due to its purpose of awakening local potential and advantages for rural economic development, some localities are, at first, confused about what to do, how to determine advantages, potential and producers. They only focused on existing products rather than pay attention to developing new products using locally distinctive inputs and methods.

A representative of the Central Coordination Office said, to strongly spread the OCOP program and make it a focus of rural economic development, localities need to make products from local inputs, natural advantages and culture, especially in mountainous areas and ethnic minorities, to achieve sustainable development and adapt to climate change. When making OCOP products, it is necessary to base on building agricultural and medicinal raw materials, preserving and maintaining rural landscapes and protecting the ecological environment. Besides, it is essential to standardize and develop OCOP products for the value chain, match production advantages and market requirements, standardize products in line with local advantages and conditions. Promoting advertising, trade promotion and supply-demand matching for OCOP products is also important.

Additionally, provinces and cities need to pay heed to building and completing their OCOP product management and monitoring system, organizing annual product evaluation and grading, enhancing information technology application to simplify administrative procedures with respect to OCOP product evaluation and classification. As for the OCOP program support system, it is necessary to improve the operational capacity to effectively build OCOP startup and product development centers to entice OCOP producers and link with tourism development. ■

### *Specific development goals of OCOP program to 2025*

- At least 10,000 OCOP products are eligible for 3-star rankings or higher, of which at least 3% are 5 stars. At least 40% of OCOP producers are cooperatives and 30% are small and medium enterprises.*
- At least 30% of OCOP producers can build a closed value chain, align a stable material area, with priority given to OCOP products that have been assessed and ranked (of which at least 50% of existing OCOP products get upgraded);*
- At least 50% of rural handicraft villages have OCOP products to facilitate the preservation and development of traditional handicraft villages. At least 20% of workers employed by OCOP producers are trained/certified.*



# Solutions to Attract Tourists to Nghe An Province



Sen Village also known as Kim Lien village - the hometown of President Ho Chi Minh

**Dr. DINH VAN TOI,**  
**Msc. HOANG THI THUY HANG**  
 NGHE AN UNIVERSITY OF ECONOMICS

Nghe An province, with its favorable geographical position to expand domestic and international economic exchanges that serve as an important prerequisite for development of tourism and other economic sectors, is always a charming destination for tourists as it has many distinctive and attractive tourism types like ecotourism, cultural tourism and festival tourism.

## Great potential for tourism development

### *Ecotourism*

Visiting Nghe An, visitors will think of ecotourism destinations with many picturesque natural landscapes.

Cua Lo Beach, about 16 km from Vinh City, has long been the most famous beach in Central Vietnam which receives a lot of tourists every summer. With its long, flat beach, crystal-clear water, fine sand and gentle waves, Cua Lo draws millions of tourists every summer.

Che (Tea) Islands, lying in Hamlet 8, Thanh An commune, Thanh Chuong district, are an appealing destination for tourists, a favorite check-in for netizens. Each island is covered with green tea trees surrounded by clear blue lakes. Tourists sit on motorboats moving around the islands to experience and explore the scenery.

Huong Duong (Sunflower) Farm, covering 30 ha in Nghia Son commune, Nghia Dan district, is an alluring check-in address for any traveler. Sunflowers bloom in March-April and November-December when visitors come together to admire and take pictures with the dazzling beauty of yellow flowers.

Pu Mat National Park, with a natural area of up to 194,000 ha

where many rare plants and animals are living, was recognized by UNESCO as a World Biosphere Reserve. Kem Waterfall is extremely majestic in the park. Many ethnic minorities are living in the buffer zone, especially the Dan Lai people.

Bai Lu Beach in Nghi Yen and Nghi Tien communes, Nghi Loc district, is seductive to tourists because it converges both sea and forest with an open landscape, harmonious nature. Bai Lu Resort, separate from residential areas, features a clean beach and clear water, with sea-facing adjacent houses surrounded by green trees.

Cua Hoi Beach, lying between Cua Lo Beach and Xuan Thanh Beach (Ha Tinh province), is famous for its gorgeous sandy sloping beach of Song Ngu, always bustling with visitors seeking to enjoy this charm. Lying in front of Cua Hoi Beach is Song Ngu Island, forming two giant side-by-side natural walls to block strong winds and strong waves to bring peace to this place.

Muong Thanh ecotourism site in Dien Lam commune, Dien Chau district, about 60 km from Vinh City, is one of the most popular entertainment venues today in Nghe An, thanks to an attractive entertaining complex where visitors can visit the Safari Land Zoo, where more than 70 species of rare animals are kept. This is the largest zoo in the north, very suitable for families with small children. With many thrilling games such as sun wheel, octopus wheel, flying ferris wheel, roller coaster or water park will give visitors many choices to explore. If they want to enjoy leisure and relaxing experiences, they can go to Thac Tien mud bath or visit Lam Ha Pagoda - where there is a system of Buddha statues made of gold inlaid bronze.

### *Cultural and spiritual tourism*

Nghe An has a distinctive identity for tourism development in general and cultural and spiritual tourism in particular. Currently, the province has 2,395 relics, including 324 certified relics (132 national sites and 192 provincial sites).

Monuments, temples and memorials were built by many generations to express gratitude to predecessors accredited for opening the national boundary, defeating the enemy, defending the country and developing Vietnamese culture. They have become valuable legacies in many aspects. This is great potential for developing spiritual and cultural tourism in Nghe An, with popular forms such as spiritual tourism and religious tourism.

Another famous place is Kim Lien Relic Site, one of four important monuments of President Ho Chi Minh. This 205-ha site includes artifacts, documents, and cultural - historical space about Ho Chi Minh's childhood and youthhood and his family members. The 205-ha site, with relics 2 - 10 km apart, is considered one of the most important relics of the nation, invested heavily by the government for many years. Every year, this place welcomes millions of domestic and foreign visitors.

Con Temple (Quynh Phuong-Hoang Mai) is a typical mother-worship shrine and has become one of the largest mother worship centers. Can Linh Pagoda (Cua Nam Ward, Vinh City), also called Linh Van Temple or Su Nu (Nuns) Temple for being hosted by nuns, was built in the ninth century. Dai Tue Pagoda (Nam Anh - Nam Dan) is dedicated to Buddha Wisdom. It is recognized for records by the Vietnam Association of Records: The temple on the mountain has the largest artificial lake; The temple has the most ruby



statues; The temple has the most mulberry statues, and; The temple has the most parallel sentences in pure Vietnamese calligraphy.

Spiritual tourism is a popular and potential type in Nghe An province. Typical destinations include places such as Ong Hoang Muoi Temple (Hung Nguyen), Quang Trung Emperor Temple on Quyet Mountain, Hong Son Temple (Cinh city), An Duong Vuong Temple (Dien Chau), Mai Emperor Temple, Hoang Thi Loan Tomb, Chung Son Temple (Nam Dan), Qua Son Temple (Do Luong) and Bach Ma Temple (Thanh Chuong).

#### ***Cultural festival tourism***

Given its intense vitality, cultural festivals have boomed again as a social phenomenon, rising in every area with a new vitality and attracting millions of domestic and foreign tourists. Dozens of formerly near-forgotten festivals have now been restored and developed in all areas of the province, such as festivals concerning Cuong Temple, Con Qua Son Temple, Hoang Muoi Temple, King Mai Temple, Bach Ma Temple, Hong Son Temple and Su Nu Pagoda. In the cultural flow of clans in Nghe An, popular clan festivals include Nguyen Dinh (in Nghi Loc district), Nguyen Canh (in Do Luong district), Ho and Nguyen (in Quynh Luu and Yen Thanh districts). In addition to traditional festivals, the province has some modern festivals such as Sen Village Festival, Ho Chi Minh Birthday Celebration (May 19), Cua Lo River Festival, Cua Lo Tourism Season Opening, Thanking Festival, Memorial Day (July 27), and Sunflower Festival in Nghia Dan district. These can be considered creative products of Nghe An people, gradually traditionalized, recognized by the masses and sublimated to new beauty and unique identity of cultural life in Nghe An.

#### **Tourism attraction solutions**

Tourism forms in Nghe An are still monotonous, largely concerning visits to historical and revolutionary relics. The province lacks recreational, leisure and classy options for high-class domestic and foreign tourists. Besides, Nghe An has not clearly formed stable tour routes with rich and attractive contents. Most tourism companies are small, unconnected, mainly spontaneous, unprofessional and uncompetitive. Travel agencies are underdeveloped, very small in scale, unable to provide high-end services and ensure time continuity. Tourism activities are relatively localized in terms of type and location. Discrete destinations are not interlinked to form networks convenient and attractive to different tourists.

To overcome the above limitations and attract tourists in a

sustainable way, the Nghe An tourism industry needs to focus on the following issues:

First, the Nghe An Tourism Department needs to strengthen tourism administration; advise lawmaking and policymaking on tourism; and raise awareness for tourists and residents to build a safe, civilized, friendly and quality tourism environment toward sustainable tourism development goals.

Second, accelerating construction of tourism development plans, programs and projects: Completing projects of Nghe An tourism development strategy to 2030 to submit to relevant bodies for approval and enactment; investing in tourism infrastructure projects financed by ADB and public tourism infrastructure projects in 2021-2025 and in 2026-2030; jointly carrying out tourism product development projects: GEF project and adventure tourism product development project.

Third, diversifying tourism products to draw tourists like recreational venues, casinos, modern discotheques and hotels. Potential night tourism forms are aimed to increase length of stay and spending of tourists such as shopping, dining and music venues, in addition to uniquely traditional tourism products such as folk festivals, culinary culture and Vi Dam folk singing.

Fourth, promoting tourism images through domestic and international tourism fairs; digitizing tourist destination data using 3D imaging technology; producing tourism marketing video clips for posting on social networking sites; installing LED screens in some places to inform and welcome visitors; providing tourist information via website, email or search engines like Google, MSN and Infoseek for easy search by foreign tourists. A very effective promotional tool is making great introductory videos about Nghe An province to entice tourists to come to explore beautiful scenes and legends seen on such videos. In addition, famtrips attended by travel agencies, famous artists and stars are also a good way to introduce Nghe An to tourists far and wide through these reliable information sources.

Fifth, necessarily reviewing and reassessing the workforce of tourism-related companies to build a reasonable training plan; facilitate universities and colleges to enroll students; applying proper labor recruitment and task assignment policies.

Sixth, it is very important for localities to establish cooperation for joint tourism development in the current context of fierce competition, thus promoting comparative advantages and potential resources for tourism development, and dealing with existing shortcomings. ■



**Cua Lo Beach is one of the most beautiful beaches in North Central Vietnam**





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