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Cover photo: Mr. Pham Tan Cong is elected President of the Vietnam Chamber of Commerce and Industry (VCCI) for the 6th term at the 14th Meeting of the Executive Committee

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Prime Minister Pham Minh Chinh chairs the cabinet meeting in August 2021

PRIME MINISTER PHAM MINH CHINH ASSIGNS TASKS TO FOUR DEPUTY PRIME MINISTERS

Prime Minister Pham Minh Chinh has signed Decision 1460/QĐ-TTg dated September 6, 2021 on assignment of work to Prime Minister and Deputy Prime Ministers.

DUY ANH

The decision clearly states principles of work assignment and working relationship between the Prime Minister and the Deputy Prime Ministers.

In principle, the Prime Minister shall perform full tasks and powers stipulated the Constitution and the Law on Government Organization; comprehensively lead and administer the work of the Government, cabinet members, heads of government-affiliated agencies, and chairpersons of people's committees at all levels; directly administer major important and strategic matters within the jurisdiction of the Government.

The Prime Minister shall assign Deputy Prime Ministers to assist him in monitoring, directing and handling regular jobs of assigned work of the Government under the competence of the

Prime Minister. The Prime Minister does not handle tasks, fields and jobs already assigned to the Deputy Prime Ministers.

In principle, the Prime Minister and Deputy Prime Ministers have the following specific duties.

PRIME MINISTER PHAM MINH CHINH

Prime Minister Pham Minh Chinh, Politburo Member, Secretary of the Government Party Personnel Committee, shall have as the following tasks:

First, comprehensively lead and manage all activities within the ambit of the Government's functions, tasks and powers.

Second, personally direct and administer the following fields: National socioeconomic development strategies and plans; National financial, credit, monetary strategies and policies; National defense, security, diplomacy strategies and assurance of national defense and security; Apparatus organization and personnel work; administration reform; state administrative boundaries, and general issues on emulation and commendation; Coordination between the Government and agencies of the Party, the National Assembly, the State President, the Vietnam Fatherland Front Central Committee, and sociopolitical organizations.

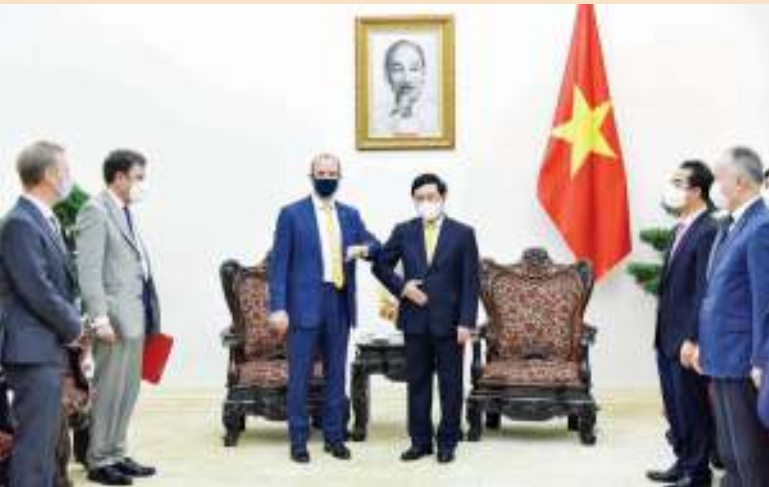
Third, monitor and direct the Ministry of National Defense, the Ministry of Public Security, the Ministry of Home Affairs, the Vietnam News Agency, the Vietnam Television, the Voice of Vietnam, and the Ho Chi Minh Mausoleum Management Board.

Fourth, personally act as Head of the State Steering Committee



for the East Sea and Islands, Head of the National Committee for E-Government, Chairman of the National Emulation - Commendation Council, Head of the National Steering Committee for Cyber Safety and Security, Head of the Government's Steering Committee for Administrative Reform, Chairman of other national committees and councils.

DEPUTY PRIME MINISTER PHAM BINH MINH



Deputy Prime Minister Pham Binh Minh receives Mr. Dominic Raab, British First Secretary of State and Secretary of State for Foreign, Commonwealth and Development Affairs

Deputy Prime Minister Pham Binh Minh, Politburo Member, Deputy Secretary of the Government Party Personnel Committee, serves as the Permanent Deputy Prime Minister.

He assists the Prime Minister in monitoring and directing the following fields: Institutional building, development of the socialist law-governed State, judicial reform; External affairs (including Party diplomacy, State diplomacy and people-to-people diplomacy); Official development assistance and mobilization of concessional loans, foreign nongovernmental aid, international nongovernmental organizations; International integration, monitoring and directing the negotiation and implementation of multilateral and bilateral international commitments, ASEAN Single Window Mechanism, National Single Window and Trade Facilitation, settlement of international disputes and complaints; Foreign direct investment, outbound investment; Relations between Vietnam and international and regional organizations; border, the East Sea and island issues; Overseas Vietnamese affairs and issues related to foreigners in Vietnam; Human rights affairs; Ethnic and religious affairs; poverty reduction and regular issues related to emulation and commendation; Assurance of traffic order and safety; Crime prevention and combat; smuggling and trade fraud prevention and combat; Special amnesty; Coordination between the Government and the Supreme People's Court and the Supreme Procuracy.

He assists the Prime Minister in monitoring and directing the Ministry of Home Affairs, the Ministry of Justice, the Committee for Ethnic Minority Affairs, the Government Office, and the Vietnam Bank for Social Policies.

He also has the following duties: Head of the National Steering Committee for International Integration, Chairman of the Vietnam - China Steering Committee for Bilateral Cooperation;

Head of the Vietnam - Laos Intergovernmental Committee; Head of the State Steering Committee for Land Border Demarcation and Border Marker Planting; Head of the National Steering Committee for Human Rights; Head of the Central Steering Committee for National Target Programs on New-countryside Building for 2021-2025 period, Sustainable Poverty Reduction for the 2021-2025 period, Socioeconomic Development in ethnic and mountainous areas for the 2021-2030 period; Head of the National Steering Committee for Combating Smuggling, Trade Fraud and Counterfeit Goods; Chairman of the National Steering Committee for ASEAN Single Window, National Single Window and Trade Facilitation; Chairman of the National Steering Committee for Traffic Safety; Chairman of the National Civil Aviation Security Committee; Chairman of other national councils, committees, and head of other steering committees in relevant fields.

He also directs affairs of the Government on behalf of the Prime Minister in the absence of the Prime Minister and as assigned and authorized by the Prime Minister.

DEPUTY PRIME MINISTER LE MINH KHAI



Deputy Prime Minister Le Minh Khai at the meeting on the Government's action plan for the term 2021-2026

Deputy Prime Minister Le Minh Khai, Secretary of the Party Central Committee, Member of the Government Party Personnel Committee, assists the Prime Minister in monitoring and directing the following fields: General economic affairs including Planning, finance, pricing, monetary-banking, capital market, stock market, financial investment sources, State reserves, macroeconomic forecasts and policies; State budget expenditures and use of State budget reserves, financial reserve fund, foreign exchange reserve fund, and other funds of the State; issuance of Government debentures and bonds; Salary and social insurance policies.

He is also responsible for: Development of types of enterprises; Cooperative economy, cooperatives; Rearrangement and innovation of State-owned enterprises; Anti-corruption, inspection, and settlement of complaints and denunciations.

He also assists the Prime Minister in monitoring and directing the Ministry of Planning and Investment, the Ministry of Finance, the State Bank of Vietnam, the Government Inspectorate, the Commission for Management of State Capital at Enterprises, the Vietnam Social Security, the National Financial Supervisory

Commission, the Vietnam Development Bank, and the Deposit Insurance of Vietnam.

Deputy Prime Minister Le Minh Khai concurrently holds the positions: Chairman of the National Advisory Council for Financial and Monetary Policies, Head of the Central Steering Committee for Salary and Social Insurance Policies Reform, Head of the Steering Committee for Development and Reform of Collective Economy and Cooperatives, Head of the Steering Committee for Development and Innovation of Enterprises, Head of the Steering Committee for Settlement of Shortcomings and Weaknesses of Several Inefficient Projects and Enterprises of the Industry and Trade Sector, Chairman of other national councils and committees and head of other steering committees in relevant fields.

DEPUTY PRIME MINISTER VU DUC DAM



Deputy Prime Minister Vu Duc Dam inspects the COVID-19 prevention at businesses in Soc Trang province

Deputy Prime Minister Vu Duc Dam, Member of the Party Central Committee, Member of the Government Party Personnel Committee, assists the Prime Minister in monitoring and directing the following fields: Education and vocational training; Science and technology; Labor, employment, and social affairs; Information and communication; Culture, tourism, sports, and physical training; Healthcare, population, family and children affairs.

He assists the Prime Minister in monitoring and directing the Ministry of Education and Training, the Ministry of Labor-Invalids and Social Affairs, the Ministry of Information and Communications, the Ministry of Science and Technology, the Ministry of Health, the Ministry of Culture, Sports and Tourism, the Vietnam Academy of Science and Technology, the Vietnam Academy of Social Sciences, the Vietnam National University of Hanoi, and the Vietnam National University of Ho Chi Minh City.

Deputy Prime Minister Vu Duc Dam also holds the positions: Chairman of the National Education and Human Resource Development Council; Chairman of the Central Council for National Defense and Security Education; Chairman of the National Council for Sustainable Development and Competitiveness Improvement; Head of the State Steering Committee for Tourism; Head of the Interdisciplinary Steering

Committee for Food Hygiene and Safety; Chairman of the National Committee for AIDS, Drug and Prostitution Prevention and Control; chairman of other national councils and committees; and head of other steering committees in relevant fields.

DEPUTY PRIME MINISTER LE VAN THANH



Deputy Prime Minister Le Van Thanh at a working visit to Thai Binh 2 Thermal Power Plant

Deputy Prime Minister Le Van Thanh, Member of the Party Central Committee, Member of the Government Party Personnel Committee, assists the Prime Minister, assists the Prime Minister monitoring and directing the following affairs: Industry, agriculture and rural development, trade - import and export, construction, transportation, natural resources and environment.

He is also responsible for: Climate change response strategies; National planning, regional planning, provincial planning; Assurance of energy supply and efficient energy consumption; National key works and capital construction investment projects as regulated by the laws; Economic zones, industrial parks, export processing zones; Flood and storm prevention and control, search and rescue work.

Deputy Prime Minister Le Van Thanh assists the Prime Minister in monitoring and directing the Ministry of Agriculture and Rural Development, the Ministry of Industry and Trade, the Ministry of Construction, the Ministry of Transport, the Ministry of Natural Resources and Environment.

He also holds the following positions: Chairman of the National Planning Council, Chairman of the National Council on Water Resources, Head of the National Steering Committee for Power Development, Head of the State Steering Committee for Key Petroleum Projects, Head of the State Steering Committee for Key Projects and Works of the Transport Sector; Head of the Steering Committee for Coordinating Development of Key Economic Regions, Head of the Central Steering Committee for Natural Disaster Prevention and Control, Head of the Central Steering Committee for Housing Policies and Real Estate Market, Chairman of the Sub-Committee of the Vietnam-Russia Intergovernmental Commission, chairman of other national councils and committees and head of other steering committees in relevant fields.

Chairman of the Vietnam Subcommittee in the Vietnam - Russia Intergovernmental Committee; Chairman of councils, national committees, heads of other steering committees according to related fields. ■



Vietnamese President Nguyen Xuan Phuc (R) receives U.S. Vice President Kamala Harris

Next Chapter in Vietnam-U.S. Relationship Expected

The United States Vice President Kamala Harris believed that her visit to Vietnam during August 24-26 signaled the beginning of the next chapter in the relationship between the U.S and Vietnam. The first Vice Presidential visit to Vietnam since the establishment of diplomatic relations in 1995 signifies the United States' deep commitment not only to the Vietnam relationship, but also to the region.

NAM PHAM

In bilateral meetings with Vietnamese leaders, the two sides discussed a series of issues to deepen the Vietnam-U.S Comprehensive Partnership, strengthen economic, investment, security, health and education relationships, uphold rule-based international orders such as freedom of navigation and the East sea issue, and jointly address war legacy issues, and global challenges such as the pandemic and the climate crisis.

Vice President Harris reaffirmed the U.S. commitment to a strong, prosperous and independent Vietnam, as well a free, open, healthy and resilient Indo-Pacific region.

At the welcoming ceremony, State President of Vietnam Nguyen

Xuan Phuc remarked: "Vietnam always views the U.S as one of our most important partners. Looking back on the past 25 years, we are delighted to note that, thanks to the tireless efforts of both sides, the Vietnam-U.S. Comprehensive Partnership has been flourishing, creating greater substance and effectiveness across all areas of bilateral, regional, and global cooperation. Vietnam desires to work jointly with the United States to further deepen the Comprehensive Partnership to promote more substantive, fruitful, long-lasting and sustainable bilateral ties; build and strengthen mutual trust; and create the foundation for both sides to enhance, exchange and cooperate for mutual benefits based on mutual

respect for independence, sovereignty, territorial integrity and the political regime of each country.”

“I’m convinced that the visit to Vietnam by Madam Vice President Kamala Harris will lay an important foundation for the two countries to engage in more productive cooperation for the robust growth of the Comprehensive Partnership,” said the State President.

He also extended his sincere thanks to President Joe Biden and the U.S. Government and people for the support in supplying COVID-19 vaccines through the COVAX facility, and a large amount of medical equipment and medical supplies to Vietnam.

In talks with the State President, Vice President Kamala Harris said: “Our partnership has produced tangible results. During my visit, we will open a Peace Corps office. We will sign a new lease for the United States Embassy. And we will formally launch our Center for Disease Control -- CDC’s -- Southeast Asia regional office. All of these are symbols of our enduring relationship with Vietnam and Southeast Asia as a member of the Indo-Pacific region.”

In the talk with Prime Minister Pham Minh Chinh, the Vice President affirmed the Biden-Harris administration’s commitments to its partnerships in the Indo-Pacific region, in Southeast Asia, and in Vietnam.

“These partnerships are of critical importance to us, as they directly affect the prosperity and the security of the American people. Over the past decades, we have made significant progress and now cooperate on many areas that affect people’s lives,” she said

“This is on top of what has been and will continue to be an enduring relationship of cooperation, as evidenced by our economic ties that have grown to US\$90 billion in two-way trade; our people-to-people ties, which have deepened with nearly 30,000 Vietnamese students having studied in the United States; and being partners on pandemic preparedness, the climate crisis, and addressing shared legacies of war, and more. Now, Vietnam is one of our top 10 trading partners in the world, and its economy is critical to the supply chains that we

rely on. That is a big area of focus for us here in Southeast Asia and, in particular, in Vietnam,” she added.

Prime Minister Pham Minh Chinh believed that the visit was truly a boon to peace, stability, cooperation and greater trust between the two countries. He said: “We attach great importance to our relations with the U.S., one of our most important partners. Vietnam wishes to continue developing the Comprehensive Partnership, and add substance and effectiveness with a long-term view towards stability to this relationship on the basis of respecting each other’s independence, sovereignty, territorial integrity and political system in the interest of mutual benefit.”

When talking about opening up the next chapter, Kamala Harris mentioned to the lease signing for 99 years to establish the United States Embassy in Hanoi. The new Embassy complex will be built in an area of 3.2 hectares with the estimated budget of US\$1.2 billion. The 99-year lease is considered an evidence of the enduring U.S. commitment to the partnership with Vietnam. She said that the commitment was in full appreciation and pride of the role of the U.S. as a member of the Indo-Pacific region, understanding that Southeast Asia is at the seat of this region and that the country of Vietnam holds a particular importance and significance to the U.S.

At the press conference held before ending the trip, the Vice President showed her strong belief in the bright prospects of the two countries’ partnership. “Throughout this trip and in many meetings with government officials, business leaders, or civil society, I was reminded about just how much potential there is in this region and, dare I say, the potential that we all have when we have the ability to see what is possible, and then have the ambition to achieve what is possible around common interests and common goals.”

“We know it matters deeply to the wellbeing of the American people that we maintain and strengthen these partnerships. And that’s why, in the years ahead, we will be coming back, time and time again, as we follow through and chart this next chapter in the partnership and the relationship we have with the spirit of understanding that it is mutually beneficial and that there is much that we can do together.”



Chargé d’Affaires, a.i. Christopher Klein and Director of Hanoi City Department of Environment and Natural Resources Bui Duy Cuong at the signing ceremony at the witness of Vice President Kamala Harris



Prime Minister Pham Minh Chinh
welcomes Vice President Kamala Harris

👉 Announcements of Vietnam-U.S relationship highlights during Vice President Kamala Harris's visit

COVID-19 and Health Security

The Vice President reinforced the United States' commitment to leading the world in ending the COVID-19 pandemic. The U.S. donated an additional one million doses of Pfizer vaccine to Vietnam, bringing the total donation to Vietnam to 6 million doses. Through the American Rescue Plan Act (ARPA) and other emergency assistance funding to date, USAID and CDC are supporting Vietnam's response to COVID-19 with an additional US\$23 million in technical assistance and programmatic support, bringing the total assistance provided since the start of the pandemic to nearly US\$44 million. USAID also provided the Vietnam Red Cross US\$1 million to reduce the impacts and prevent the spread of COVID-19 in vulnerable communities.

The Department of Defense provided 77 ultra-low temperature vaccine freezers to assist vaccination distribution efforts in all 63 provinces. These freezers are specially designed to accommodate the most extreme vaccine storage requirements, significantly enhancing Vietnam's national vaccine distribution network. Through the Defense Threat Reduction agency, the U.S. provided two Regional Public Health Emergency Operations Centers, which are now operating 24/7 to collect and share COVID-19 surveillance information through the Ministry of Health.

The Vice President launched the U.S. Centers for Disease Control and Prevention (CDC) Southeast Asia Regional Office in Hanoi. The CDC office will advance global health security by maintaining a sustainable presence in the region, enabling a rapid and effective response to health threats—wherever they occur—and reinforcing the CDC's core mission of protecting Americans.

Development Assistance and Market Access

The Vice President emphasized the Biden-Harris Administration's efforts to promote economic growth and

opportunity. The U.S. government announced the Improving Private Sector Competitiveness (IPSC) project, a US\$36 million USAID flagship effort to grow women and ethnic minority-owned businesses and promote job growth in rural areas through the adoption of new U.S. technology.

The U.S. government also announced the Workforce for an Innovation and Startup Ecosystem (WISE), a USAID project providing up to US\$2 million to support Vietnam's effort to transition from an economy dominated by labor intensive, low-skilled industry to a workforce better equipped to participate in the global digital economy. Building Vietnam's digital skills will increase opportunities for trade between the United States and Vietnam and will promote U.S. technologies.

U.S. farmers and pork producers will have greater access to markets in Vietnam -- the United States' seventh largest agricultural export market -- as a result of Vietnam's positive consideration of the U.S. proposal to eliminate or reduce MFN import duties on corn, wheat, and pork products. These tariff cuts allow U.S. farmers to provide Vietnam with quality and competitively-priced products while also helping reduce the U.S. trade deficit with Vietnam.

Combating Climate Change

The Vice President and Vietnamese government and civil society leaders agreed on the importance of combatting the climate crisis, increasing resilience, and collaborating towards a clean energy future.

USAID and the Vietnam Chamber of Commerce and Industry (VCCI) signed a Memorandum of Understanding (MOU) to boost Vietnam's competitiveness, expand market opportunities for U.S. companies, and strengthen Vietnam's environmental policy. This MOU with VCCI will improve VCCI's focus on sustainability, green technology and climate change. USAID also intends to support VCCI in developing a Green Index to help U.S. businesses select provinces that are investing in green operations.

The U.S. government announced the Vietnam Low Emission Energy Program II (V-LEEP II), a five-year, US\$36 million USAID project which aims to accelerate Vietnam's transition to a clean, secure and market-driven energy system.

Through USAID, the U.S. government launched the Mekong Coastal Habitat Conservation project, a new three-year, US\$2.9 million project with the International Union for the Conservation of Nature (IUCN), aiming to protect key coastal habitats in the Mekong Delta region for sustainable fisheries, climate change adaptation and biodiversity conservation.

The United States welcomed Vietnam joining the Agricultural Innovation Mission for Climate (AIM4C), an initiative announced at President Biden's Leaders' Summit on Climate, that will be launched at COP-26 in November 2021. AIM4C participants will work together to accelerate global agricultural innovation and the adoption of climate smart technologies.

Addressing Legacy of War Issues

The United States and Vietnam have overcome a difficult past to become trusted partners. Vice President Harris committed to Vietnamese government leaders to continue addressing shared war legacy issues.

The United States commits to provide an additional US\$17.5 million for surveying and clearing unexploded ordnance (UXO), demonstrating their continued pledge to addressing war legacy issues.

ASEAN BAC Co-Chair Doan Duy Khuong Puts forth Recommendations at Dialogue with ASEAN Economic Ministers

Recently, the 53rd Dialogue Conference between the ASEAN Business Advisory Council (ASEAN BAC) and ASEAN Economic Ministers was held with the participation of ASEAN BAC members and the relevant economic ministers of 10 ASEAN countries.

This meeting is a continuation of the 52nd Dialogue Conference held on August 25, 2020, where Dr. Doan Duy Khuong, Chairman of ASEAN BAC 2020, on behalf of ASEAN BAC had reported the 225-point proposal including the establishment of the ASEAN High-Level Special Committee (AHLSC) to speed up joint decision-making to strengthen ASEAN Economic Cooperation in supply chain connectivity, and procurement of medical supplies and vaccines in response to the COVID-19 pandemic.

At this 53rd conference, Dr. Doan Duy Khuong, Co-chair of ASEAN BAC 2021, also on behalf of ASEAN BAC, presented a summary of activities and specific recommendations for ASEAN economic ministers in 2021.

The 53rd Dialogue Conference between the ASEAN BAC and ASEAN Economic Ministers was chaired by Dr. Amin Liew Abdullah, Minister at the Prime Minister's Office and Minister of Finance and Economy of Brunei, highly appreciated the proposals and recommendations of the ASEAN BAC and will report to the leaders of ASEAN countries to have positive policies and actions to help the region recover from the pandemic and promote economic development in the near future.

B.H

GBA, VGFA Join Hands in Fight against COVID-19

The 4th wave of COVID-19 in Vietnam is still ongoing. To help where it is needed the most, the German Business Association in Vietnam (GBA) and the Vietnam-Germany Friendship Association (VGFA) started the joint donation campaign "Direct help in challenging times".

The members of the GBA followed the call and, until now, have collected a total amount close to VND600 million. Besides cash donations used to distribute food to the unprivileged, several members have donated medical equipment that is distributed to front-line hospitals. So far, the combined donations of GBA members and VGFA members covers the supply for almost 3,000 households in districts 4, 8, 12, Go Vap, Hoc Mon, Binh Thanh, Binh Chanh, Tan Phu, Binh Tan and Thu Duc City.

Mr. Alexander Goetz, Chairman of the GBA joined the distribution and shared: "The situation and circumstances under which so many families here have to survive during this sharp lockdown are dire. The positive attitude that I witnessed despite the hardships gives hope. Nevertheless, I hope that we can soon get back to normal and life gets easier for the citizens of Ho Chi Minh City."

Mr. Nguyen Anh Tuan, Chairman of the VGFA shared: "All of us were very expeditious, closely coordinated with many parties, quickly implemented the work and overcame the difficulties caused by the COVID-19 pandemic in order to complete the tasks in this campaign. With honor, we have been able to represent all the donors to bring warmth and trust to the community, directly handing the donations to families in great difficulty in many lockdown areas in Ho Chi Minh City."

Nguyen Mai

The U.S. government, through USAID, announced two new awards to local Vietnamese organizations, in support of persons with disabilities: Raising Voices, Creating Opportunities II and Hold My Hand II. These projects, with a total budget of approximately US\$4 million, will support persons with disabilities by improving their quality of life and promoting their social inclusion.

Security Cooperation

The United States supports Vietnam's enhancement of its maritime security and law enforcement capabilities.

The United States and Vietnam affirmed the commitment to continuing the high-level security cooperation in support of a strong, prosperous and independent Vietnam, including humanitarian engagements like Pacific Partnership and visits by U.S. ships, including aircraft carriers.

The Vice President discussed the deep ties between the Vietnam and U.S. Coast Guards, including the possible provision of a third U.S. Coast Guard high-endurance cutter, subject to the will of Congress. This cutter would complement two other U.S.-provided cutters, a fleet of 24 patrol boats, base facilities, piers, law

enforcement training, and other joint activities that bolster Vietnam's capacity to contribute to maritime security in the East Sea.

The U.S. and Vietnam committed to establish a medical trauma exchange between the Vietnam Military and the Department of Defense to expand humanitarian and disaster response capacity, while cooperatively advancing critical patient care for soldiers, veterans, and the people of Vietnam.

Support for Higher Education

Vice President Harris underscored the United States' commitment to the future of Vietnam and the enduring nature of the U.S.-Vietnam partnership.

USAID announced the Partnership for Higher Education Reform, a five-year project providing up to US\$14.2 million to strengthen teaching, research, innovation, and governance within the three largest national universities in Vietnam. With U.S. university and private sector partners, the project will support inclusive economic opportunities for nearly 150,000 Vietnamese students, in support of a strong, prosperous, and independent Vietnam as a vital U.S. partner. ■

AIPA 42

Promoting Digital Economy and Digital Society



National Assembly Chairman Vuong Dinh Hue and other delegates of Vietnam attends the AIPA-42 meeting via videoconference

Attending the 42nd General Assembly of the ASEAN Inter-Parliamentary Assembly (AIPA), Vietnam did not propose or sponsor any draft resolution, instead focusing on completing previous proposals and contributing ideas toward an environment of peace, security, cooperation, and sustainable stability in the region.

GIANG TU

AIPA-42 was held online by the host country Brunei with the theme “Forging Parliamentary Cooperation in Digital Inclusion towards ASEAN Community 2025”, to call on ASEAN countries to respond to and recover from the COVID-19 pandemic. It is time for ASEAN member countries to ensure an inclusive digital transformation to strengthen resilience and better prepare for present and future generations in the post-pandemic era.

Vietnam National Assembly Chairman Vuong Dinh Hue affirmed that the pandemic has shown the urgency of state management, adjustment of policies and development goals, as well as digital transformation and building of the digital economy in order to promptly respond to the pandemic and maintain socio-economic development. Facing the current ups and downs, the close relationship, sharing and mutual support between member countries and the people of ASEAN have been further strengthened.

National Assembly Chairman Vuong Dinh Hue called on AIPA member parliaments to remove barriers through an appropriate legal framework, improve the quality of online public services to develop e-government, create

favorable conditions for people and businesses to have equal access to digital services, and promote the building of a digital economy and digital society.

In AIPA's agenda, the Political Committee focused on discussing topics of cybersecurity, promoting human security in digital transformation, strengthening parliamentary diplomacy towards building the ASEAN Community, and the situation of Myanmar.

The Economic Committee discussed two themes of ASEAN economic integration through promoting the digitalization of micro, small and medium enterprises, and tourism cooperation in ASEAN. The Social Committee focused on three themes of promoting inclusive digitalization to mitigate the effects of climate change, sustainable development goals and the role of high technology in facilitating citizen participation in voting.

The Organizational Committee discussed a number of important issues related to finance, admission of observers, the process of hosting the AIPA General Assembly, the use of the Special Fund to pay the operating costs of the new headquarters of the Secretariat, documents guiding the AIPA-ASEAN dialogue, the AIPA excellent contribution award, the process of organizing the AIPA Young Parliamentarians Conference and establishing the EP-AIPA dialogue mechanism. The Congress of Women Parliamentarians discussed women's economic empowerment, employment through digital services and financial inclusion.

This year, Vietnam did not propose or sponsor any draft resolution; however, following the meetings of the Committees, the Vietnamese delegation was deeply involved in the draft resolutions, proposing many important specific issues which were approved by the member parliaments and unanimously included in the resolutions.

Specifically, the Vietnamese delegation supported the adoption of a draft resolution on “Promoting economic empowerment for women in the future post-pandemic recovery and employment through digital and financial inclusion”. In which, Vietnam proposed more important points such as: Continue to improve the legal system, national and regional policies to create a legal corridor to promote economic empowerment for women in the future to recover from the pandemic and create jobs through digital and financial inclusion; building a coordination mechanism, creating regional links to support women to get jobs and participate in the labor market through the digital environment; continue to pay attention to financial support policies so that women in general, especially poor women, who have lost their jobs affected by the COVID-19 pandemic have the opportunity to access jobs and develop their livelihoods.

The AIPA-42 General Assembly also considered and approved Vietnam's initiative in the AIPA Presidential Year 2020 on the Regulation on the operation of the AIPA Young Parliamentarians Conference, officially establishing the Young Parliamentarians Conference mechanism within the framework of the AIPA General Assembly Conference. ■

National Assembly Pledges to Create Best Business Environment toward OECD Standards

National Assembly Chairman **Vuong Dinh Hue** affirmed that Vietnam is committed to creating the best business environment by removing bottlenecks in the economy in terms of legal institutions, infrastructure and human resources.



National Assembly Chairman Vuong Dinh Hue addresses the Vietnam – Austria Business Forum in Vienna, Austria

Within the framework of his official attendance to the World Conference of Speakers of Parliament, National Assembly Chairman **Vuong Dinh Hue** and members of the high-ranking National Assembly delegation attended the Vietnam - Austria Business Forum in Austria on September 6. The event was co-organized by the Ministry of Planning and Investment of Vietnam in collaboration with the Austrian Federal Economic Chamber.

At the forum, the leader of the Austrian Federal Economic Chamber reported Austrian investment results and strong business plans in Vietnam to NA Chairman Hue and his escorts, expressing desires to invest in and cooperate with Vietnam.

Despite mobility restrictions to prevent the COVID-19 pandemic, more than 60 Austrian businesses attended the forum, expressed their wishes and recommendations to Vietnamese leaders. This was also a chance for businesses of both countries to explore cooperation opportunities in each country.

Austrian businesses raised questions directly to Vietnamese ministers of Planning and Investment, Industry and Trade, and Agriculture and Rural Development on matters of concerns and hoped that the Vietnamese Government, central and local authorities will provide enabling business policies in Vietnam. They also expressed their sympathy to COVID-19 pandemic sufferings in Vietnam; pledged to have certain voices to influence the Government of Austria to support medical equipment and supplies for Vietnam to contain the pandemic.

Delivering a speech to the forum, NA Chairman **Vuong Dinh Hue** stated that the world is forecast to see opportunities, advantages, difficulties and challenges in combination. The COVID-19 pandemic will keep spreading, produce far-reaching effects on the global economy, cause serious human losses and pose production and supply disruption risks that strongly wreck economic growth. However, there are always new opportunities in the midst of difficulties and challenges.

On foreign investment, Vietnam selectively attracted foreign investors, using quality, performance, technology and

environmental protection as the gauge of assessment, he said. At the same time, priority is given to projects with advanced technology, innovation, research and development that have spillover effects, pledge to forge business cooperation, facilitate Vietnamese companies to join the value chain, foster the digital economy and actively help the sustainable socioeconomic development of Vietnam.

He stated that, in order to further strengthen Vietnam - Austria economic, trade and investment relations in the coming time and move toward the celebration of the 50th anniversary of Vietnam - Austria diplomatic relations (1972 -2022), the two sides should step up information exchanges on investment-related policies. At the same time, to enhance the role of the Vietnam - Austria Joint Committee on Economic and Trade Cooperation, relevant agencies of the two countries should encourage and promote two-way trade and investment flows on the basis of mutual understanding; strengthen business delegation exchanges to survey the market for investment opportunities and business connections

Chairman Hue hoped that Austrian businesses will support Vietnam and have a voice in pushing for the Austrian Parliament and Government to complete procedures for ratifying the EU - Vietnam Investment Protection Agreement (EVIPA) at the earliest. The early enforcement of EVIPA coupled with the EU - Vietnam Free Trade Agreement (EVFTA) will create a hugely competitive advantage for European businesses in general and Austrians in particular to invest in Vietnam and open up new opportunities for two-way trade connection. He expected Austrian businesses to support the Austrian Government to provide vaccines and medical equipment for Vietnam to prevent the pandemic.

He affirmed that the National Assembly of Vietnam is committed to creating the best business environment towards OECD standards, that is to say, maintaining sociopolitical and macroeconomic stability; and removing bottlenecks in legal institutions, infrastructure and human resources in the economy.

After the official business forum wrapped up, ministers and businesses of Vietnam and Austria had a lot of meetings and exchanges, materialized potential plans for cooperation, and sought solutions to emerging investment issues in the coming time. ■



Newly elected VCCI President Pham Tan Cong chairs the 14th Meeting of the VCCI Executive Committee, the 6th term

VCCI STEPS UP BUSINESS SUPPORT

In a summary report on working performance in the first eight months of 2021 and the working plan for the last four months of the year, Mr. Nguyen Quang Vinh, General Secretary of VCCI, said that in the first eight months of 2021 VCCI actively carried out main tasks stated in the Resolution of the 13th Meeting of the Executive Committee, the sixth term, the Staff Conference and the Work Review in 2020. The quantifiable achievements included a 7.5% growth from the same period of 2020. The core activities produced good results as expected.

The remarkable activities included regularly researching, surveying and summarizing economic and business situations, and advising and proposing timely and effective solutions to the Government for socioeconomic development and business support solutions amid the COVID-19 pandemic; promoting its role in consulting and drafting laws and policies, advising the Party and the Government; boosting trade and investment promotion; and representing employers and supporting businesses to improve competitiveness, international integration and sustainable development.

However, he also frankly admitted that VCCI's activities still revealed certain limitations and shortcomings.

On September 8, 2021, the 14th Meeting of the Executive Committee of the Vietnam Chamber of Commerce and Industry (VCCI) of the sixth term ratified VCCI's work plan for the last four months of 2021, with a focus on support for businesses and business associations.

DUC BINH

Specifically, VCCI could not fulfil its overall tasks (completing about 80% of the plan) and some key activities were carried out behind schedule. The impact of Covid-19 led to delays, adjustments and even cancellations of many activities like training courses, market surveys, workshops and international conferences.

Regarding preparations for the 7th VCCI Congress, Mr. Vinh said that the Party Union, the Standing Committee and the Executive Committee actively did this work for nearly a year. Preparatory contents for the congress were well made.

At the 13th Meeting of the Executive Committee on March 10, 2021, the Standing Committee reported to the Executive Committee all the preparatory contents of the next congress, including renaming the Vietnam Chamber of Commerce and Industry and corresponding amendments to the VCCI Charter; the Personnel Plan for the Executive Board; and draft Congress documents. So far, important work for the 7th VCCI National Congress of the 2021-2026 term is being completed under the direction of the VCCI

Secretariat.

VCCI General Secretary Nguyen Quang Vinh said, in addition to regular tasks, in the last four months of 2021, VCCI will focus on the following key tasks and solutions:

NEW VCCI PRESIDENT PHAM TAN CONG COMMITTED TO BUILDING A POWERFUL VCCI, PROMOTING VIETNAMESE ENTERPRISE DEVELOPMENT



VCCI President Pham Tan Cong addresses the 14th Meeting of the VCCI Executive Committee

At the 14th Meeting of the Executive Committee of VCCI, Mr. Pham Tan Cong, Secretary of the VCCI Party Union, was elected VCCI President for the 6th term, replacing Mr. Vu Tien Loc.

Previously, on August 7, 2021, the Secretariat of the Party Central Committee appointed Mr. Cong, Standing Deputy Secretary of the Party Committee of the Central Business Sector, as Secretary of the VCCI Party Union for the 6th tenure.

Delivering the inauguration speech, newly elected VCCI President Pham Tan Cong vowed to work his best, to

wholeheartedly and dedicatedly build a powerful VCCI, protect legitimate and lawful rights and interests, and promote the development of the Vietnamese business and entrepreneur community, therefore helping build a prosperous and happy Vietnam.

“Today, VCCI is a national representative of hundreds of thousands of businesses and business associations in Vietnam, and a prestigious and active member of international trade associations and organizations. But, for our country to catch up with developed countries by 2045, the Vietnamese business community and entrepreneurs must also be on par with entrepreneurs of those countries in all aspects, not only finance, technology or product, but culture, lifestyle, ethics and social prestige as well. This is an enormous ambition, but it is a challenging goal that VCCI is missioned to lead, inspire and support Vietnamese businesspeople and enterprises to achieve,” the new VCCI President affirmed.

Mr. Cong also said that, in addition to long-term and regular goals and tasks, VCCI must pay attention to urgent and immediate tasks and go with businesses to overcome the COVID-19 pandemic.

The Vietnamese business community has gathered great resources to join hands with the whole country in the fight against the epidemic but we cannot close our eye to the fact that thousands of corporate bankruptcies are reported every month, production chains are disrupted, and the business community suffers enormous loss, all likely to challenge Vietnam’s economy and position in global production chains. Therefore, the new VCCI President affirmed: “Supporting and accompanying the business community to overcome COVID-19 is an urgent task that VCCI needs to try its best to do.”

First, keeping up the VCCI Action Program to carry out directives and resolutions of the Party and the Government: Resolution of the 13th National Party Congress, Resolution 09/NQ-BCT on building and promoting entrepreneurial roles; and directives and resolutions of the Government and Prime Minister such as Resolution 02/NQ-CP and Resolution 35/NQ-CP.

In particular, key tasks are working with the Central Committee for Mass Mobilization to summarize the 10-year execution of the Politburo’s Resolution 09 on building and promoting entrepreneurial roles, proposing to the Politburo solutions on continued implementation of resolutions in the coming time.

Second, keeping on national programs, projects, schemes and tasks on improving the business environment and enhancing corporate competitiveness; promoting sustainable development projects; representing employers; grasping opportunities from FTAs and the shift of production and supply chains and FDI flows; supporting businesses in international integration; and supporting capacity building of trade associations.

Third, effectively gathering and supporting businesses to respond to the COVID-19 pandemic, restore and develop production and business. To do this, in September 2021, VCCI will urgently establish and operate the Business Cooperation Council in response to the COVID-19 pandemic after consulting the Executive Committee.

Fourth, taking steps for the early opening of the seventh VCCI Congress with the following tasks: Reviewing and finalizing reports of previous meetings approved by the Executive Committee and submitted to competent authorities for opinion and carrying out events and logistics services for the Congress. The Seventh VCCI Congress may be held online and offline at the same time.

Fifth, further consolidating and reforming working methods and personnel apparatus; reviewing and rearranging the staff; building a new salary-based mechanism for work performance, intensifying labor discipline, upholding creativity, enhancing coordination, and upgrading performance of specialized agencies and affiliated units, as well as of each employee. ■

PROACTIVELY CONTRIBUTING TO MAKING GOOD POLICIES



VCCI President Pham Tan Cong attended the meeting of the Prime Minister's Advisory Council for Administrative Procedure Reform on September 10

VCCI's action program for implementation of the Resolution of the 13th National Party Congress emphasizes business roles in building the legal system to make a better business climate.

QUYNH CHI

Helping hand for better legal system

The 13th Party Congress stated, "Giving focused priority on completion of synchronous, effective and well-organized implementation of laws, mechanisms and policies to shape a favorable, healthy and fair investment and business environment for all economic sectors, and fostering innovation". This is also one of the contents that VCCI has centrally carried out in recent years.

The action program emphasized active participation in building the regulatory system that has direct impacts on enterprises and the business environment; actively carried out studies and surveys to lay the practical groundwork for sending proposals and recommendations for amendments to legal documents to enhance stability of the legal system, handle overlapped legal documents, and protect legitimate rights and interests of enterprises.

As for its constructive contributions to lawmaking and policymaking, VCCI joined 17 business-related law drafting boards and editing teams in the first eight months of 2021, including amended Law on Road Traffic, Law on Cinema, Decree on detailed instruction for

implementation of some articles in Law on Administrative Violation Settlement. It took part in 10 appraisal councils responsible for verifying proposals/recommendations on the making of legal documents, draft documents and plans to reduce business conditions, including powerful business-related documents like Law on Customs, Law on Special Consumption Tax, Law on Enforcement of Civil Judgments, Law on Value-Added Tax and Law on Special Consumption Tax, Decree on Cash Payment, Decree on deadline extension for tax and land rent payment.

VCCI also continued to mobilize enterprises and entrepreneurs to give their opinions on laws, mechanisms and policies. It hosted 53 conferences, seminars and other meetings (mainly online) to gather expert opinions for 96 draft legal documents like amended Law on Intellectual Property, amended Law on Insurance Business, and amended Law on Electronic Transactions. VCCI also sent its opinions to hundreds of other documents made by central and local authorities across the country, including many strategic and long-term mechanisms and policies on business affairs.

TO IMPROVE BUSINESS ENVIRONMENT

Strengthening Cooperation and Dialogue for Better Business Environment

The action program also paid special attention to fostering government-business cooperation and dialogues, especially on matters that help boost the effect of government - business relations at all levels.

To do this, VCCI reviewed and analyzed overlapping regulations, thus enabling it to send recommendations on amendments and improvements to legal regulations toward building a transparent and conducive business environment and promoting sustainable development. In 2021, VCCI participated in the program of reviewing and evaluating regulations of the Administrative Procedures Control Department (Government Office) to implement Resolution 68/NQ-CP dated May 12, 2020 of the Government for launching the Program of reducing and simplifying business-related regulations in the 2020 - 2025 period. VCCI continued to act as a member of the Secretariat of the Central Coordination Council for Legal Education and Dissemination and the Program Secretariat of the Government on cross-sector legal assistance for businesses (Program 585). The agency established the Experts Club to connect experts and businesses and hosted many law dissemination activities across the country to engage businesses, experts and lawyers. VCCI's website Vibonline.com.vn, which is updated daily and has nearly 1.5 million more visits, posted 134 draft legal documents and 70 comments of VCCI on prospective regulations and received comments and suggestions on lawmaking and policymaking from enterprises.

From feedback from businesses and trade associations and the "Vietnam Business Law Flow 2020" conducted by VCCI, regulations selected for analysis and comment in this report were based on criteria that produced strong influences on businesses in Vietnam, had special approaches to troubleshooting or typical development and promulgation processes. In addition, the report also picked up legal issues for analysis and evaluation. These important issues directly affected the business and investment environment. The selected matters in the 2020 Report were "Unsolved issues in regulations on market entry conditions" and "Legal framework for digital economy". At the same time, it also assessed response and receptivity of drafting agencies to legal documents commented by VCCI. Mr. Dau Anh Tuan, Director of VCCI Legal Department, said, 212 out of 386 VCCI's opinions (54.92%) were

accepted by ministries and central agencies. This rate steadily increased in the last three years, much higher than the previous two years (44.08% in 2019 and 42.51% in 2018). The higher rate of accepted opinions than unaccepted ones showed that opinions of the business community were increasingly being listened to by authorities.

VCCI made an initial quality assessment of official documents and circulars issued by ministries and central agencies that troubled enterprises in reality through the webinar "Quality of circulars and notices - From business perspective". According to VCCI, a lot of unclear circular contents resulted in different understanding and interpretation among execution agencies. Some circulars are not consistent with higher decrees. From its preliminary quality assessment of circulars and official notices from a business perspective, VCCI made six recommendations: Be professional in drafting circulars and control and prevent conflict of interest; improve and promote the role of circular quality checking agencies in response to feedbacks on circular quality; and strengthen consultation and practical mechanism to engage enterprises to have a more substantive voice to circular drafting process. Regarding post-inspection work, VCCI recommended monitoring circular promulgation, assessing policy impacts from circulars, and promptly collected information on implementation problems.

VCCI's cooperation with the United States Agency for International Development (USAID) in making the Provincial Competitiveness Index (PCI) in the last 16 years is among activities highly appreciated by domestic and foreign enterprises. PCI has enabled mindset shift, helped localities realize the importance of administrative reform and economic governance quality improvement to investment attraction and business development. ■



Sustainable Development Generates “Antibodies” against COVID-19 Pandemic for Businesses



Delegates at the virtual breakout session on “businesses implement dual goals”

Overcoming challenges, businesses that have strong and persistent commitments to pursue a sustainable development strategy for years have generated their own “antibodies” against the COVID-19 pandemic.

HUONG GIANG

Huge pressures on capital

Mr. Nguyen Quang Vinh, General Secretary of the Vietnam Chamber of Commerce and Industry (VCCI), and Executive Vice President of the Vietnam Business Council for Sustainable Development (VBCSD), said that after four outbreaks of the COVID-19 pandemic, businesses are getting exhausted and running out of resources because of domestic supply chain disruptions. From the perspective of sustainable development, they are losing the balance of three pillars: Financial capital, social capital and environmental capital.



VCCI General Secretary addresses the breakout session on “businesses implement dual goals”

This shows that the pandemic is exerting the strongest impact on the financial capital and social capital. Cash use-up and staffing crisis are current core problems of businesses. Besides the adverse effect of the pandemic, weak risk management and crisis management is also a major cause, he noted.

Ms. Dorsati Madani, World Bank (WB) Senior Economist in Vietnam, said according to the WB's report, disease control and vaccination rollout are important for growth prospects in the 2021-2022 period. Economic growth



VCCI TO LAUNCH BUSINESS COOPERATION COUNCIL IN RESPONSE TO COVID-19

Under the direction of the Party Union, the VCCI Standing Committee is preparing to launch the Business Cooperation Council in Response to COVID-19 in September 2021.

The VCCI Party Union is aware that VCCI's ongoing support for businesses to overcome difficulties and restore business operations needs a new cooperation mechanism to strengthen support for businesses in swift and effective response to the COVID-19 pandemic. Therefore, under the direction of the Party Union, VCCI will establish the Business Cooperation Council in Response to COVID-19.

The council is designed to bring together businesses and connect business associations to join forces to respond to COVID-19, work together with the Government to reduce damage, maintain business operations, protect workers, and strengthen the country's fight against COVID-19.

Its key tasks include sharing response information, experiences and solutions of enterprises to emerging matters caused by the COVID-19 pandemic; proposing policies and

solutions to competent central and local authorities in response to COVID-19; connecting and supporting businesses in response to COVID-19; supporting resources for the fight against the COVID-19 pandemic across the country and in the business community; and proposing commendations of outstanding enterprises in the fight against COVID-19 and in business performance.

The council is a cooperation mechanism between VCCI with governmental agencies, and domestic and international organizations, business associations and the business community in response to COVID-19. Businesses and business associations consult and engage in council-led activities on a voluntary basis.

The council keeps in touch with the National Steering Committee for COVID-19 Prevention and Control and Government-led and local working groups to support business operations, especially production and supply chains in the food industry, commodity distribution, and large export manufacturers.

will also depend on recovery prospects of Vietnam's main export markets like the United States, the European Union and China, which are witnessing an economic recovery, helping to drive strong export growth for Vietnam.

Although the Vietnamese economy will recover in the fourth quarter of 2021 and expand by 4.8% this year, there are still risks that threaten growth, according to the WB's forecast. She recommended that Vietnam may apply policies to reduce risks to the economy in the medium and long terms: Addressing social consequences of the crisis; watching out for rising debt risks and transferring the risk from the real economy to the financial sector; and being aware of fiscal risks.

Active “adaptive” solutions

Mr. Nguyen Quang Vinh said, “Besides government support, to live with COVID-19 and overcome it, each business needs to promote its own internal resources, change plans and strategies to achieve the dual goal of preventing the pandemic effectively and ensuring health and safety of employees and customers, while maintaining and restoring business operations. They need to give priority to solving problems from both their own business stance and sustainability perspective.”

Businesses that have adopted sustainable development strategies in general and applied the Corporate Sustainability Index (CSI) in particular are more resilient than average, he added. Therefore, they can recover better than the rest. In other words, applying the sustainable development model has generated “antibodies” for them to live through the pandemic.

Mr. Vinh also shared about VCCI's initiative establishing the “Business Cooperation Council in Response to COVID-19” to respond to the call of the Party General Secretary and to the Government's direction on the need for organizations and associations to play a greater role in supporting member companies, especially stronger connection and information sharing to help them overcome difficulties together. The council will gather the strength of the business community, connect industry associations and related organizations with VCCI to



Vietnam Corporate Sustainability Forum (VCSF) to Take Place Soon

Scheduled to take place in December, VCSF is the most important business sustainability promotion dialogue of the year, chaired by VBCSD-VCCI. Themed “Towards a better decade of sustainable development: Leaving no one behind”, the key topics expected to be discussed at the forum are core issues which need to be addressed to spur inclusive and sustainable socioeconomic growth in the 2021-2030 decade.

Specifically, main topics of discussion at VCSF include: Sustainable enterprises realize dual goals; Circular economy: The future of equitable and sustainable economic growth, and; Sustainable corporate governance with CSI and corporate digital transformation optimization.

VCSF 2021 is supported by Nestlé Vietnam, BAT Vietnam and many other partners.

rejoin the Government in support for businesses to overcome the difficult period of the COVID-19 pandemic to quickly regain recovery and development.

To support the business community to access up-to-date knowledge on crisis management, VCCI and its technical partner, Deloitte Vietnam, will launch the second edition of the Handbook for SMEs to Recover and Thrive post-COVID-19 in September 2021.

Regarding solutions to overcome the pandemic, Mr. Binu Jacob, General Director of Nestlé Vietnam and Co-Chair of VBCSD-VCCI, recommended following solutions:

Prioritizing full vaccination for all workers and contractors working in essential food and drink factories; and empowering businesses to determine how to apply COVID-19 response options to their factories based on the guidelines of the Ministry of Health.

In addition, he emphasized the need for simplifying and unifying regulations regarding COVID-19 prevention from central to local levels. In particular, businesses also need digitized public administrative procedures, enabling them to submit online documents, especially in the context of social distancing and mobility restrictions.

Creating sustainable, green consumption habits

Mr. PHAN DUC HIEU

MEMBER OF THE NATIONAL ASSEMBLY



Sustainable development works as an extra benefit of the business. The nature of sustainability is economy and efficiency of resources, as well as increased resilience to adverse effects of climate change. Therefore, businesses need to create sustainable and green consumption habits, consistent with government policies in countries that levy tax on products with environmental pollution risks and advocate green production. On the other hand, corporate restructuring is essential to digest governmental policies such as economic recovery stimulus package and green credit package. They must change their production and business models and methods to gradually balance benefits and costs. Even for new entrants to the market, it is necessary to have a plan and start doing it right away.

Focus on human resource development

Ms. CAO THI NGOC DUNG

CHAIRWOMAN OF THE BOARD OF DIRECTORS, PNJ



PNJ adopts the sustainability strategy based on core values of the corporate culture, the built governance

framework and the consistent and persistent compliance of the whole system. Right from the outset of the pandemic, PNJ activated the prevention plan with the principle “distancing but no absence” and continuously informed its employees to understand and follow. PNJ also developed an advanced training program for employees to increase working intensity and cooperation across the system. Even in the context of complicated pandemic development, we always care about our employees who do not want their wages slashed while still have an extra 13th month salary. When we closed our business facilities to prevent the pandemic, PNJ sends its employees to voluntary activities and launched the free supermarket program. This is social capital that we have accumulated when we reopen our business, we will have greater resilience.

Digital transformation application

Ms. NGUYEN THI NGOC HUE

COMMUNICATIONS AND EXTERNAL AFFAIRS DIRECTOR, AEON



Sustainable development is not only a compass in a stable landscape but also an important guideline for businesses to adapt to and recover from any crisis. To recover from the pandemic, we are accelerating digital transformation. In terms of infrastructure, we apply digital signatures, digital business management systems, cloud order management and customer management system to optimize customer experiences. As for operating methods, we use Aeon mobile applications, multi-channel shopping methods, online payment, automatic payment management, artificial intelligence and machine learning to meet customer needs. ■

Supply Chain Facilitation Needed

Vietnamese Prime Minister Pham Minh Chinh recently delivered a new message in the fight against the COVID-19 pandemic, saying “The pandemic will be long, we must accept to live with it in the long run as completely containing it seems to be impossible, requiring adaptive and suitable approaches to it.”

On specific solutions, the Prime Minister demanded continued business activity in places where safety conditions are suitable. Businesses need to be encouraged, facilitated and supported to adopt “safe production” to avoid supply chain disruptions and ensure timely and smooth transportation and distribution of goods across the country.

This message inspires the business community with a lot of hope while social distancing measures are applied from place to place, input costs of enterprises increase dramatically and potential supply disruptions may result in input shortages and labor shortages.

Business operation in moderation

Nearly 700 tenants in export processing zones, industrial zones and high-tech parks in Ho Chi Minh City are applying “three-on-site” or “one route-two destinations” measures. Most companies, particularly foreign-invested ones, make

every effort to maintain stable production to keep their positions in supply chains.

Mr. Nguyen Van Be, Chairman of the Ho Chi Minh City Industrial Park Businesses Association (HBA), said, most employers and employees are already very tired but still have to work hard to keep supply chains undisrupted. “Especially, since August 23, they have not been allowed to apply an alternative choice for the so-called “three-on-site” measure nor change the number of registered employees to increase or decrease the workforce because of mobility restrictions,” he said.

Mr. Nguyen Phuong Lam, Director of the Can Tho Branch of the Vietnam Chamber of Commerce and Industry (VCCI Can Tho), said, the fourth wave of COVID-19 pandemic has caused a crisis in southern provinces. Agricultural and aquatic processing industries in the Mekong Delta are being severely affected, with many unprecedentedly incapacitated.

In three months from June to August, the Mekong Delta region witnessed over 10,000 corporate bankruptcies while the figure was just over 6,000 in the first six months of the year. Nearly 90% of companies temporarily suspended their operations, with the second-quarter revenue plunging 40-50%. “Agricultural and aquatic products are major products in the Mekong Delta. Shrimp, fish, fruits cannot be left unharvested. If they are not harvested, farmers will suffer enormous losses. However, harvested but unpreserved products will give rise to input shortages in many sectors,” he added.

A lot of companies announced to extend their operational interruptions for a longer time, posing a grave danger to current supply chains. Prolonged social distancing clearly leads to unfavorable logistics and procedures. Localized policies, mobility restriction and “green freight” flowing





rejected by many localities are said to be “four different keys to unlock a lock by the representative of the Vietnam Logistics Business Association.

The most serious and extreme matter is how to keep employees safe and maintain the production force when many workers are afraid of being exposed to infection risks as the “three on the spot” model is revealing a lot of shortcomings. Accordingly, companies find it extremely difficult to ensure smooth operations to meet orders that they signed. They are facing the risk of paying compensation for orders that they cannot meet. Subsequently, they may lose customers and drop their positions on global supply chains.

Supply chains are severely damaged

“What will happen after the social distancing is over. For the time being, farmers, cooperatives and farms have almost closed their operations. I don’t know whether they will revive their operations or not? It takes a long time to produce agricultural and aquatic products. This may lead to a food crisis and an agricultural and aquatic crisis,” said Lam.

According to feedback from shrimp processors in Ca Mau, Soc Trang and Bac Lieu - the three major shrimp producers in the country, apart from difficulty in distribution, breeding and harvesting, factories also had to scale down their processing capacity by 60-70%, lacked workers and pay more working expenses. Shrimp processors will start buying inputs from September for export processing but supplies will be substantially disrupted and shortages will last till 2022.

While domestic supply chains are disrupted, the foreign business community is also worried, said Mr. Nguyen Hai Minh, Vice Chairman of the European Business Association in Vietnam (EuroCham). Concerns about global supply chain disruptions are constant. Only four key exports - textile and garment, leather - footwear, electronics, furniture and forest products - earn nearly US\$150 billion a year, accounting for nearly 60% of the country's export value. If supply chains are disrupted, socioeconomic development will be greatly affected. These sectors hire 8 million workers.

The United States and the European Union already reopened their economies and their demand started to grow, according to enterprises. Therefore, factory shutdowns should be minimized to avoid being eliminated from global supply chains. Besides, a lot of workers have returned to their distant hometowns, resulting in labor shortages. Subsequently, it is difficult to ensure the ability to supply and manufacture for large orders from multinational corporations.

Economic expert Nguyen Dinh Cung said that the government needs to let businesses work as usual and keep themselves safe because the plague is likely to last long. He also suggested removing all regulations on the list of essential commodities, adopting a common testing method and time for drivers. Businesses should be empowered to keep themselves safe in the pandemic time.

We must have measures to live with COVID-19, adopt a unified scenario from the Government, applied synchronously from locality to locality. Businesses need to give a higher role and power in the fight against the pandemic. ■ **H.T**

Exports Weaken on Market Fluctuations amid COVID-19 Pandemic

Given that the fourth wave of the COVID-19 pandemic is developing complicatedly, many provinces and cities in Vietnam continue to apply restriction measures that negatively affect importing and exporting activity.

HUONG LY

Exports decelerate

According to the Ministry of Industry and Trade, the August merchandise export value was estimated at US\$26.2 billion, down 6% from the previous month. However, the eight-month value still rose 21.2% year on year to over US\$212 billion.

All three key exports sank in August. Agricultural and aquatic products plunged 11.2% year on year to US\$1.996 billion. Fuels and minerals were projected at US\$231 million, down 33.2%. Manufactured goods dipped 3.3% to US\$23.06 billion.

Rice suffered the steepest declines, down 14.8% in volume and 6.8% in value from the same period of last year. The COVID-19 pandemic greatly interrupted rice harvest and distribution in Mekong Delta provinces.

The export value of fuels and minerals plummeted 32.4% from July and 33.2% from the same month in 2020.

Exporters hit by countless difficulties

According to ministry, after a long time of social distancing, manufacturing was afflicted while transportation, forwarding and logistics were disrupted. Furthermore, workers’ return to their families to stay away from the pandemic also means likely personnel shortages after the pandemic is contained, especially for skilled workers such as mechanical and electronic workers.

A survey into 360 companies by the Vietnam Timber and Forest Products Association (Viforest) in mid-August showed that more than 50% of respondents halted production and faced the risk of bankruptcy because they still had to pay rents, taxes, fees and lending interest.

In order to keep up production and prevent pandemic contagion at the same time, expenses of member



Many companies in the leather and footwear industry have to close or downscale production

companies of the Handicraft and Wood Industry Association of Ho Chi Minh City (HAWA) rose by about 20-30%. Many found it difficult to endure and afford loan repayment.

Rice exporters were also entangled in difficulties. In addition to loss resulted from weakening export because of few orders, they also found it hard to access customers while spending more to prevent the COVID-19 pandemic. They could not meet export orders although stockpiled rice was abundant in stores. Hence, traders and merchants reduced their rice purchases from farmers. Without timely workable solutions, this link may lead to a disruption of rice export supply chain. The sharp drop in rice price, to a much lower level than a year ago, is an extra hit to rice traders.

Difficulty also hit the leather and footwear industry. Companies in this sector suffered enormous loss as they had to close or downscale production and had export orders canceled by partners while they still had to run factories and pay salaries for employees. The shortage of vacant containers, rising freight shipping costs (5-10 times higher than in 2020) plus higher prices of fuels and imported inputs severely hurt their production and troubled exporters.

According to the Vietnam Textile and Apparel Association (Vitas), the textile and garment export value contracted by 18.69% month on month in August. A lot of

companies had to close or stop manufacturing, work in moderation, and failed to fulfill orders. In many cases, orders canceled by partners resulted in commercial loss for companies and disreputation of customers.

Vitas forecasts that the last four months of 2021 will be an extremely difficult time for the textile and garment industry and the 2021 target of US\$39 billion will be hard to achieve. If the pandemic is not controlled in September 2021, the industry is likely to earn only US\$33-34 billion from exports.

According to the Ministry of Industry and Trade, current solutions for businesses are reducing costs, preparing necessary things and labor force to resume production after the pandemic is contained, and making the most of incentives from FTAs (especially CPTPP and EVFTA). Companies particularly pay attention to COVID-19 prevention measures for industrial parks according to the guidance of the Government and localities.

Production, import and export growth in the coming time will depend greatly on how the COVID-19 pandemic is controlled and COVID-19 vaccination is deployed nationwide. Therefore, to prevent export decline from now until the end of the year, the Ministry of Industry and Trade has been focusing on solutions to strengthen and expand export markets, taking full advantage of FTAs already in force; and focusing on small and niche markets. ■

Preventing Origin Fraudulence in Lang Son



Customs Office of Huu Nghi International Border Gate

As some enterprises are deliberately declaring falsified origin of goods to evade taxes, Lang Son Customs has requested border-gate customs offices to intensify inspection, supervision and prevention of wrongful acts.

HIEN PHUC

Lang Son Customs has recorded some companies with fraudulent acts of origin, improper labeling of goods, infringement of intellectual property rights, and illegal transshipment of goods across borders.

Lang Son Customs has regularly collected information about exporters and importers; analyzed products with high likelihood of falsified pricing, commodities subject to high tariffs, conditional imports and exports, intellectual property-protected goods and businesses with high-risk profile.

In July, Lang Son Customs detected and handled three violating companies that falsely declared origin of commodities imported through Huu Nghi International Border Gate. Since then, the Customs Office of Huu Nghi Border Gate issued a decision to impose administrative fines on violators.

Tran Hoang Vietnam Co., Ltd declared nine procedures for Form A11 to import pruning scissors made of plated iron and plastic; air filters and oil filters (parts of air compressors); and water filter cores (parts of water purifiers) from China. However, this company declared the origin of Japan for pruning shears and the origin of Germany, Mexico, India and the USA for the remaining items.

Also falsely declaring the origin of USA on 11 declaration forms for import of oil filters and air filters from China, TOPSTAR Vietnam Technology Co., Ltd was fined VND1.5 million by the Customs Office of Huu Border Gate.

An official from Lang Son Customs Department said trade fraudulence, aimed to illegally transport goods through customs declaration, remains complicated. In particular, origin falsification is used to seek higher profit and dodge tariff, which is very troublesome for customs authorities. Specially, many companies often take advantage of easier electronic customs clearances to falsify names, quantities, types, codes and origin of goods or take advantage of e-commerce or independent delivery for commercial fraudulence and tax evasion.

Lang Son Customs Department directed border-gate customs offices to collect more information about businesses, especially those already committing smuggling and trade fraud through customs declarations; and analyzed commodity flow results to promptly detect and prevent wrongdoings.

Lang Son Customs Department has coordinated relevant bodies to drastically and effectively apply professional customs control measures; strengthen online supervision and information provision for border-gate customs offices to scan and inspect any major items at risk of origin fraud, improper labeling, illegal transshipment, intellectual property violations, and falsification of names, quantities and types of commodities; actively and closely inspect and control imports and exports, especially sensitive consumer goods, to quickly uncover acts of smuggling, commercial fraudulence and tax evasion that have caused loss of tax paid to the State Budget. ■

Hai Phong: Merchandise Customs Clearance Rises 30% YoY in Jan-July

Nearly US\$58 billion worth of imports and exports was cleared by Hai Phong Customs Department in the first seven months of 2021, up 30.6% year on year, representing strong actions of Hai Phong Customs for the business community amid a complicated and prolonged COVID-19 pandemic.

By the end of July, the department collected VND38.99 trillion for the State Budget, fulfilling 69.6% of the full-year target assigned by the Ministry of Finance (VND56 trillion) and 67.3% of the target designated by the General Department of Customs (VND57.9 trillion), representing year-on-year growth of 27.04%.

Biggest taxpayers in July included automobiles (US\$120.19 million, up 281.6%); auto parts (US\$67.12 million, up 522.2%); motorcycle parts (US\$2.15 million, up 170.5%); and petroleum products (US\$65.70 million, up 14.3%).

In the first seven months of 2021, import and export value via Hai Phong Customs reached nearly US\$58 billion, up 30.6% year on year or an addition of more than US\$13.5 billion. Of the sum, exports were worth US\$27.5 billion, up 32% and imports valued US\$30.4 billion, up 29.3%.

The import and export growth via Hai Phong Customs was remarkable, showing efforts and determination of customs officers to prevent and control the COVID-19 pandemic and quicken customs clearance for imports and exports. In particular, the COVID-19 pandemic broke out strongly in Hai Phong, Hai Duong, Hung Yen and Thai Binh which were administered by Hai Phong Customs. As Hai Phong Port is the largest trade gateway in the north, Hai Phong government has taken drastic measures for COVID-19 pandemic prevention to smooth export and import.

Rubber Exports Severely Affected by High Shipping Costs

Rubber exports are being slowed down because many companies had to suspend production for lying in lockdown areas. High freight rates are forecast to last until 2022 and hurt Vietnam's rubber exports.

According to the statistics of the General Department of Customs under the Ministry of Finance, in the first 15 days of August 2021, Vietnam's rubber exports reached 87,340 tons worth US\$143.1 million, down 12.3% in volume and 13.2% in value compared to the last 15 days of July, and down 18.5% in volume but up 10.2% in value over the same period of 2020.

In the year to August 15, rubber exports amounted to over 1 million tons valued at US\$1.68 billion, up 27% in volume and 66.1% in value from a year earlier.

The Import-Export Department under the Ministry of Industry and Trade said rubber exports are being hit as many companies had to suspend production operations in lockdown areas, or their workers are medically quarantined or living in pandemic areas.

Meanwhile, the COVID-19 pandemic has disrupted transportation. Shippers lack empty containers while high freight rates are forecast to last until 2022, which will adversely affect Vietnam's rubber exports.

However, Vietnam's rubber exports to major markets such as the EU, China, the United States and India are expected to further expand on gradual economic recovery thanks to eased lockdown measures.

In the domestic market, in mid-August 2021, latex prices tended to look up in response to the world market.

Currently, the latex purchasing price in Binh Phuoc province is ranging from VND320 to VND327 per degree TSC (Total solid contents). Many smallholding rubber farmers halted tapping latex to follow physical distancing as per Directive 16.

In Binh Duong, the buying price is VND337 - 340 per degree TSC. In Dong Nai, Dong Nai Rubber Co., Ltd also announced to increase the purchase price of rubber latex produced by some smallholders.

Dell Projects Receive Maximum Support for Merchandise Clearance

The General Department of Customs gave a nod to Dell's proposal for allowing its manufacturing partners in Vietnam to carry out customs procedures around the clock for Dell production.

Regarding the proposal allowing imports and exports of Dell and its partners in Vietnam to carry out customs clearance procedures around the clock in the green flow and conduct customs procedures overtime without having to send a request to relevant customs authorities, the General Department of Customs instructed concerned agencies to implement the approved request.

The general department advised the Ministry of Finance to report to the Prime Minister for considering and allowing two Dell partners as prioritized entities.

Accordingly, if these two partners are recognized to be prioritized, customs procedures will be carried out as per Article 43 of the Customs Law, unless there are signs of law violations or random assessment of regulatory compliance.

If they are not prioritized companies, customs inspection and supervision will be performed in line with risk management principles. Regulatory compliance is also the basis for customs authorities to consider exemption of customs procedures.

As for the proposal for carrying out customs procedures outside office time, the general department agreed with Dell's recommendations allowing its manufacturing partners in Vietnam, Compal and Wiston Infocomm, to conduct customs procedures around the clock for Dell production.

At the same time, the General Department of Customs assigned Hanoi Customs Department and Ha Nam Ninh Customs Department to work out plans and arrange resources to facilitate imports and exports for Dell's projects.

Phuc Hien

COVID-19 Adverse Impact to Slow Vietnam's Growth

Vietnam's GDP is expected to expand by about 4.8% in 2021 despite its robust economic performance in the first half of this year. This forecast, two percentage points lower than the projection in December 2020, accounts for the negative impacts of the ongoing COVID-19 wave.

ANH MAI

This forecast, made in the latest edition of Taking Stock, highlights the economic pains associated with the most recent COVID-19 outbreak. The mobility restriction measures adopted by the Government to contain the pandemic have hit the economy domestically.

Facing serious risks

The Vietnamese economy robustly expanded by 5.6% during the first half of 2021 but faced serious internal and external risks, including a domestic COVID-19 outbreak, which has spread to most provinces since late April. Growth was fueled by the recovery of the industrial sector, which was back to its pre-pandemic growth rate of about 8% thanks to expanding manufacturing production and, to some extent, the good performance of the agriculture sector due to favorable weather conditions and the end of the African swine fever outbreak. In contrast, the services sector did not recover to its pre-pandemic growth rate partly because of its high sensitivity to restrictive mobility measures taken during the COVID-19 outbreaks. On the demand side, growth was driven by

private consumption and to a lesser extent private investment, while the government resumed a less accommodating fiscal policy, and growth of imports outpaced growth of exports, turning to trade deficit while foreign investors were somewhat cautious. Disrupted supply chains and restricted activities in industrial zones as a result of the recurrence of the COVID-19 pandemic seemed to have forced manufacturers to temporarily close their factories or halt production activity.

Despite its relative resilience, the Vietnamese economy has been affected by the progressively more restrictive measures to contain the pandemic outbreak amid low vaccination rates.

The pandemic has also deeply affected the daily life of workers, businesses, and households. These impacts are, however, not easy to measure as they vary over time depending on the magnitude of the pandemic and the stringency of mobility indicators. Nevertheless, the common message is that many individuals have been under growing economic distress and the magnitude of this distress is rising due to the gradual deterioration of the economic situation in the country over the past few months.

The State Bank of Vietnam, the country's central bank, continued its accommodative monetary policies, while the Government returned to a more neutral fiscal stance during the first half of the year. Credit expanded by about 15% in recent months, up from 10% to 12% in 2020, providing a welcome buffer to affected businesses. However, this policy can also lead to higher risks for the financial sector. The more neutral fiscal policy reflects a combination of higher revenue collection and lower capital expenditures, as only 28% of the annual target of the public investment program was disbursed at the end of the first half of the year.

Will Vietnam achieve growth of 6.5% in 2022?

Mr. Rahul Kitchlu, World Bank



Vietnam's Path to Future

Key objective in socio-economic development strategy

Digital technology is the future of Vietnam's economy. Over the past year, the value of some local high-tech companies surged by around 200% on the Ho Chi Minh City Stock Exchange, including Digital World Joint Stock Company (Digiworld) - a provider of market development services, and Vien Lien - a telecommunications equipment firm, which soared 252.1% and 189.4%, respectively.

As the world is trying to recover from the COVID-19 crisis, it has become clear that digital transformation will play an increasingly important role in the global economy. Countries are already competing globally for digital

The COVID-19 crisis has accelerated the digital transformation of the Vietnamese economy as more businesses in Vietnam are providing online services. The government is also stepping up the digitization of procedures and databases.

QUYNH ANH

supremacy, and the Vietnamese government has clearly indicated it wants to be in the race by making digital transformation one of the central objectives of its 2021-2030 National Socio-economic Development Strategy.

According to the World Bank's report "Digital Vietnam - The Path to Tomorrow", Vietnam is in a good but uneven position to become a digital powerhouse of the world. A comparison with a selected sample of structural and aspirational peers highlights Vietnam's strengths and weaknesses. Today, the country is one of the most connected

countries in the world, especially for its income level, with high mobile and internet penetration rates and an increasing use of information technology (IT) tools and



Acting Country Director for Vietnam, said, whether Vietnam's economy will rebound in the second half of 2021 will depend on the control of the current COVID-19 outbreak, the effective vaccine rollout, and the efficiency of the fiscal measures to support affected business and households, and to stimulate the recovery.

According to the World Bank, Vietnam's economy may grow by 4.8% in 2021 and gradually move toward the pre-pandemic growth of 6.5% to 7.0% from 2022 onwards. This new projection assumes that the current outbreak will gradually be brought under control, allowing the economy to rebound in the fourth quarter.

During the remainder of 2021, monetary policy will remain accommodative through the implementation of various monetary policy instruments and debt restructuring. The Government plans a faster execution of the budgeted public investment program, which may face initial difficulties due to the current mobility restrictions associated with the April outbreak, but should be at full speed in the fourth quarter.

As the economy recovers, supportive policies will gradually wind down. From 2022 onward, the monetary authorities will resume their prudent approach to the balance between supporting economic growth and managing inflation, while closely monitoring the health of the financial sector. Fiscal consolidation will be resumed in the medium term to ensure debt sustainability. According to the World Bank, the authorities will need to improve their revenue performance and expenditure efficiency, especially the quality of public investment, to meet the

expected increase in infrastructure and quality social services Vietnam will need in the next decade.

However, these projections should be made with caution as serious uncertainties remain around the magnitude and duration of the pandemic, including the rise of new variants and the pace of vaccination in Vietnam and in the rest of the world. If these risks materialize, Vietnam's economic recovery will be delayed, and the GDP growth rate in 2021 will be lower than the projected 4.8%. The convergence to the historical growth trend and fiscal consolidation in the medium term will also be slower than anticipated.

In particular, the World Bank said that Vietnam needs to watch for financial sector risks raised by the crisis. While new or restructured bank credit offers a welcome buffer to affected businesses, it also contributes to transferring the risk from the real economy to the financial sector. The monetary authorities will need to be vigilant about the rising risks associated with nonperforming loans, especially in the banks that were already undercapitalized before the pandemic. It would be useful to adopt a resolution plan for nonperforming loans, and to develop a well-defined mechanism for dealing with weak and troubled banks while continuing to recapitalize banks to meet Basel II requirements.

Notably, Vietnam needs to be aware of fiscal risks. While the Government still has sufficient fiscal space, with a debt-to-GDP ratio of around 55.3% of GDP as of the end of 2020, international experience has demonstrated that the fiscal situation could deteriorate relatively quickly if the current outbreak is not rapidly controlled or new outbreaks materialize in the coming months. ■



As the world is trying to recover from the COVID-19 crisis, digital transformation will play an increasingly important role in the global economy

platforms by businesses. It also hosts several of the world's leading IT corporations. However, Vietnam is lagging in several dimensions - skills, financing, conducive regulatory environment, including access to data and security - that will prevent it from making the most of the rapid digital transformation.

Encouraging digital application and investment

The World Bank believed that, to benefit substantially from the digital transformation of its economy, the Government of Vietnam will need to take several actions. Beyond upgrading infrastructure, it must encourage technology adoption and attract investments to enable small business participation in the digital economy, and facilitate skills acquisition and upgrading, data privacy, and cybersecurity. If these challenges are not addressed with urgency by Vietnamese policymakers, there is a risk that the digital dividends will not be as large as expected and, above all, will be distributed unequally, leading to potential economic, social, and political tensions.

To address this matter, according to the World Bank, the first action Vietnam needs to take is enhancing digital skills. Workers will need the right skills to take advantage of digitalization, and an uneven distribution of skills can increase inequality. The stock of qualified workers in Vietnam's labor force is low, and the number of students registering in relevant postsecondary programs is insufficient to fill the gap.

Besides, Vietnam needs to nurture innovative capacity. To remain competitive, continuous innovation is imperative. The short application cycle for information and communication technology (ICT) means it can be invented, tested, and applied much more quickly than other technologies, such as those in the medical field. For

the same reason, ICT can quickly become obsolete. Today, most of the support provided by the government is directed at supporting research and development efforts rather than facilitating diffusion, adoption, and adaptation of new technologies by businesses. To rebalance this policy, the government could reduce barriers to entry, especially for companies with high-technology capacity, including through the implementation of recently adopted regional trade agreements, and following the steps of

countries such as Australia, Denmark, Germany, Ireland, Japan, and Portugal; enhance competition policy and implementation (Australia, Germany, and South Korea); and promote startups and small firms in the digital sector with targeted support to facilitate access to financing, information, and skill development.

Notably, Vietnam needs to promote information access, quality, and security. Vietnam currently performs poorly in terms of access to government information and the content of information provided by the government. Moreover, data portability and interoperability are limited, even after the launch of the government's internal data portal in mid-2020. As it finalizes a draft Decree on Personal Data Protection, the government needs to strike a balance among data management, privacy protection, and facilitation of digital data flows, and learn from other countries in the region that are gradually moving from reduced data protectionism to increased data privacy (as in other ASEAN economies, including Singapore).

For example, the use of State resources for training programs does not match the needs of the market. Governments can also protect businesses from undue competition, limiting their future growth. In principle, government solutions should be developed and implemented in close cooperation with the private sector and with maximum transparency to avoid being exploited by public or private actors.

Vietnam will need to fix the above matters to set the country on the path to achieve its ambitious digital economy goals. However, according to Dr. Jacques Morisset, World Bank Lead Economist and Program Leader for Vietnam, it will be important to avoid new government failures, as well-intended but misguided government interventions could exacerbate rather than address initial market distortions. ■

PROMOTING NONCASH PAYMENT DEVELOPMENT



Deputy Prime Minister Le Minh Khai assigned the State Bank of Vietnam (SBV) to urgently study and complete the Vietnam Noncash Payment Development Project in the 2021-2025 period. The SBV will study utility-added mechanisms and solutions to encourage, instruct and inform people to adopt noncash payment.

DUC BINH

The Government Office just issued Notice 232/TB-VPCP dated September 6, 2021 on Deputy Prime Minister Le Minh Khai's conclusions following the meeting on Vietnam Noncash Payment Development Project in 2021-2025.

The notice clearly states that noncash payment is important and helpful as it has higher security, convenience and lower cost; ensures State macroeconomic, monetary and payment management, combats corruption and crime; and facilitates tax administration.

The State Bank of Vietnam submitted projects on noncash payment development for different periods to the Prime Minister for promulgation since 2006.

Deputy Prime Minister Le Minh Khai highly appreciated the State Bank of Vietnam and concerned

bodies for making the Noncash Payment Development Project for the 2016-2020 period. The SBV has actively drafted and sought opinions from relevant agencies to submit the project to the Prime Minister for application in the 2021-2025 phase.

Basically, agencies agree on ideas explained by the SBV. Some advised the central bank to further study and clarify some specific contents and implementation programs to achieve all objectives.

The Deputy Prime Minister assigned the SBV to study and gather opinions from agencies attending the meeting, complete the project, ensure quality, practicality and specificity, and meet practical requirements and achieve its objectives. Performance results can be assessed, with a focus placed on some important contents below:

On evaluation of previous project achievements: The SBV will study and supplement material contents to lay the framework for evaluating goals and solutions of the previous periods; clearly state major goals, achieved and not achieved, to design goals and solutions for the next stage.

For some goals, the SBV will study and propose appropriate targets, based on previous results, for the 2021-2025 period; take into account a target framework to ensure feasibility and practicality to local settings.

On solutions, the SBV will thoroughly grasp the principle of designing solutions to create an enabling environment and preferential treatments to encourage noncash payment, reduce cash payment, and not introduce mandatory administrative solutions that result in higher costs. It will research mechanisms and solutions to increase benefits to encourage, inform and guide to raise their awareness and adopt noncash payment.

On implementation, the SBV will conduct reviews to add regulations on assigning specific accountability to relevant agencies, lead agencies, coordinating agencies and inspection and evaluation agencies with given tasks and execution time in a bid to achieve overall objectives. It will carefully study the need for drafting the Law on Payment.

The SBV will urgently submit a draft decree to the Government to replace Decree 101/2012/ND-CP on noncash payment in as directed by the Government at the meeting on July 21, 2021, ensuring national monetary security, system safety and personal privacy, creating a competitive, fair, public, transparent environment.

Deputy Prime Minister Le Minh Khai requested the State Bank of Vietnam to urgently work, study and complete the Noncash Payment Development Project for the 2021-2025 phase and submit it to the Prime Minister for consideration and promulgation in September 2021. ■

Vietnamese Consumers Expect Seamless Experience When Opening Accounts Digitally

“The pandemic is driving a digital-first mindset in Vietnam with 63% of consumers more likely to open an account digitally than a year ago,” said Aashish Sharma, Senior Director of Decision Management Solutions for FICO in Asia Pacific. “The number of consumers who prefer to open bank accounts digitally has grown to 42% and continues to rise, which is significant in a country with a strong branch culture.”

Turning friction into momentum

The survey revealed that consumer patience with account applications varied according to product. Vietnamese consumers had the highest expectations for completing applications in 10 questions or less, for savings accounts (53%), transaction accounts (51%) and Buy Now Pay Later products (47%).

Interestingly this expectation was significantly higher than other countries in the survey. For instance, just 41% of UK consumers and 51% of Australian consumers expected to answer 10 questions or less when opening a transaction account.

Overall Vietnamese consumers want digital experiences that reduce friction and inconvenience. They expect their main bank to know them, 70% want to prove their identity online and 25% of Vietnamese consumers say that financial institutions ask too many questions.

“Where there is friction there is opportunity, as the quote goes,” said Sharma. “Either you solve it for your customers today, or a competitor will do it tomorrow. Consumers want banks to find answers to application questions through technology approaches such as improved identity checks, transaction history analysis, open banking and government databases.”

Mortgages deserve more scrutiny

The survey showed that increased friction and security is

The 2021 digital banking survey by FICO, a data analytics company providing credit scoring services, shows that Vietnamese consumers expect a seamless banking experience when it comes to opening an account via a mobile app or website, with two in five expecting to answer 10 questions or less or they will abandon the process. One out of six Vietnamese will drop out if asked more than five questions.

BÍCH HANH



deemed appropriate by consumers when it comes to applying and onboarding for specific high-value financial products.

Despite relatively high levels of ease and confidence in applying for day-to-day online financial products such as current accounts, savings, loans and credit cards, more than half (61%) of customers polled expect greater rigor when it comes to mortgage applications.

Research showed that just 31% of Vietnamese consumers would apply for a mortgage digitally, compared to the survey average of around one in three (34%). In all countries bar the USA and UK, in-branch openings are preferred to online methods. South Africa was a modest outlier with 43% of customers favoring online mortgage applications.

More than one in two Vietnamese respondents polled (56%) said they were willing to answer 11 to 20 or more questions when it came to applying online for a mortgage.

Don't change the channel

Vietnamese consumers who open an account digitally prefer to carry out the process entirely in their chosen channel, whether it be smartphone or website. If customers are asked to move out of channel to prove their identities, many of them will abandon the application, either

giving up on opening an account completely or by going to a competitor. Of those who don't immediately abandon, up to an additional 20% will delay the process.

The survey found that any disruption matters. Asking people to scan and email documents or use a separate identity portal causes almost as much application abandonment as asking them to visit branches or mail in documents.

This survey was conducted in January 2021 by an independent research company adhering to research industry standards. 1,000 Vietnamese adults were surveyed, along with 13,000 consumers in the USA, UK, Canada, South Africa, Australia, New Zealand, Indonesia, the Philippines, Thailand, Vietnam, Brazil, Colombia and Mexico.■

INTEREST RATE AND INTERBANK RATE LIKELY TO DECLINE



In early September, the State Treasury of Vietnam began to expand its termed repurchase of government bonds in all working days of the week.

Previously, after the first session on July 13, the Hanoi Stock Exchange (HNX), the key auctioneer, expected the above operation to “bring a fresh breeze to the government bond market with the participation of a special investor - the State Treasury - to complete the government bond market with new operations, increase competition in the market, promote government bond transactions on the secondary market and support liquidity for market members”.

The money market thus has a new flow with a stronger current. At the same time, the State Bank of Vietnam (SBV) decided to sharply reduce the buying price of foreign currencies to create a “new breeze” again when it shifted from futures to spots.

In combination with these attendant impacts and new factors, coupon rates and the USD/VND exchange rate are changing in the interbank market. And according to a forecast of the Vietnam Interbank Market Research Association (VIRA), these two indicators will continue to decline deeply.

Before alternating flows

The SBV’s move to sharply reduce the buying price of foreign currencies took effect at the beginning of the second week of last August, coupled with the return to the spot delivery method.

As highlighted in the previous period forecast, that change took place shortly prior to September, the month when the market shifts focus on the policy meeting of the United States Federal Reserve (Fed) expected to signal easing policy, the month when the money supply from the SBV through previous purchase of foreign currencies is reduced; the month when funds are closed but it is likely to have certain fluctuations.

However, as above, the SBV’s return to spot foreign currency purchases means creating an instant money supply flow when there is a transaction. At the same time, the fact that the State Treasury begins to expand the operation of buying government bonds is also a channel to generate a new supply beside term deposits at commercial banks over the past time.

There is one notable figure in the State Treasury’s purchase of government bonds. The Treasury estimated a total funding limit of VND54,760 billion in the third quarter of this year while July and

The monetary market in Vietnam is seeing new impacts that are heavy enough to change cash flows.

August spending was still limited, resulting in stronger spending in this September. What matters now is the market demand and the counterpart source of government bonds.

Given that the market has more such supply-generating factors while credit output is still facing major obstacles from the extended and prolonged social distancing restrictions in many provinces and cities across the country, money source is showing certain signs of stagnation amid ample liquidity, resulting in lower coupon rates in both primary and secondary markets.

Particularly in the interbank market, according to VIRA’s forecast, the 1-week VND interest rate fell as forecast to 0.98% per annum on average in August year. This interest rate, according to VIRA’s forecast, will keep declining deeply in September, averaging 0.81% per annum.

Also related to the adjustment by the SBV, the spot USD/VND exchange rate in the interbank market slumped sharply in

August. Certain fluctuations were seen in the second half of August but the interbank rate gradually slipped near to the SBV’s buying price (VND22,750).

According to VIRA’s forecast, the spot USD price in this market will further decline steeply in September, averaging at VND22,778, a sharp loss from the average of VND22,852 in August.

Stable trend persists

According to a consensus forecast by VIRA members, the consumer price index (CPI) was estimated at 2.73% in September as compared to a year ago. Low inflation will thus continue to extend as what has happened since the beginning of the year until now.

In that trend, the fourth COVID-19 outbreak is the overarching factor for commodity prices, with a focus on declining market demands. However, the pandemic leads to supply disruptions or major obstacles in the supply-demand connection, resulting in increased costs of transportation and distribution of goods. There are local price increases, especially for food products.

Furthermore, the average domestic gasoline price in the first eight months of the year rose by 22.86% from a year-ago period, which is also a notable impact on CPI growth.

However, in general, forecasts by VIRA and many other organizations as well shared the same outlook for low inflation this year.

Regarding the 10-year government bond yields, VIRA forecast a slight slide this September, to 2.06%, as compared to 2.09% in August. Nevertheless, the decline was as significant as 2.2-2.3%.

In furtherance, in the next three months, the 1-week VND interbank interest rate, spot USD/VND exchange rate and 10-year government bond yield tend to pick up again, according to the forecast by VIRA members. However, fluctuations in this forecast are not too big relative to the current rates. The money market with these key indicators is expected to continue to stabilize in the lowlands before entering year-end peak payment and payment season. ■

Renewed Concern about Bad Debt

The old bad debt has not been fully resolved, but the new bad debt tends to pile up due to the COVID-19 pandemic. This is now a big concern for the Vietnamese banking system.

QUYNH ANH

The World Bank said in a recent report that Vietnam needs to watch for financial sector risks raised by the crisis. The widespread outbreak of the COVID-19 pandemic has caused many companies in big cities and industrial parks to close down their operations to prevent infections, thus wrecking their business performance. While new or restructured bank credit offers a welcome buffer to affected businesses, it also contributes to transferring the risk from the real economy to the financial sector. Therefore, the World Bank believed that the monetary authorities will need to be vigilant about the rising risks associated with nonperforming loans, especially in the banks that were already undercapitalized before the pandemic. It would be useful to adopt a resolution plan for nonperforming loans, and to develop a well-defined mechanism for dealing with weak and troubled banks, while continuing to recapitalize banks to meet Basel II requirements.

Bad debt keeps rising

In fact, although banks have accelerated the process of dealing with bad debts in recent years, they have not been able to resolve the issue completely. Nonperforming loans are likely to keep growing in some banks, especially the Debt Category 5 (banks are likely to lose their money).

Old nonperforming loans reached VND440.4 trillion (US\$20 billion) as of December 31, 2020, down 4.29% from late 2019, according to data released by the State Bank of Vietnam (SBV). Accumulatively from August 15, 2017 to December 31, 2020, credit institutions handled VND331.87 trillion of bad debt as determined by Resolution 42. Up to now, the whole banking system still has about VND425.4 trillion of bad debt, accounting for more than 42% of the total outstanding loans determined under Resolution 42.

Meanwhile, according to financial reports released by nearly 30 leading commercial banks in Vietnam, their nonperforming loans as of June 30 were 4.5% higher than the end of 2020, or an increase of nearly VND124.898 trillion.

Banks with a high bad debt ratio in the first half of 2021 included ABBank (2.3%), PGBank (2.7%), Viet Capital (2.8%) and VPBank (3.4%).

Notably, large lenders reported sharp rises in Debt Category 5. Vietinbank saw this type of debt grow by 103% and account for over 80% of its total bad debt. Vietcombank witnessed a 19% growth in Category 5 bad debts, accounting for 75% of its total bad debt. MB had a very high growth of 145%, accounting for 50% of its total bad debt. Some commercial banks have smaller

assets but debts classified into Category 4 and 5 accelerated: SHB saw Category 5 debts rise by 29%, HDBank by 31%, ABBank by 40% and NamABank by 100%. PGBank and Vietbank both had their Category 4 bad debts to rise by 100%.

According to experts, with the current complicated COVID-19 pandemic development, it will be very difficult for banks to keep their bad debt ratio below 3% as planned at the beginning of the year.

Hedging fund increases

According to Circular 03 of the State Bank of Vietnam on rescheduling debt repayment, exempting and reducing interest rates and fees, and keeping current debts in Debt Category unchanged to support customers affected by the COVID-19 pandemic, banks can opt for risk provisions equal to at least 30% in 2021 and set aside the remaining 70% in 2022 and 2023. It is a resource for banks to handle lending risks. Therefore, lenders with high provisioning rates for bad debts will have reciprocal funding to handle bad debts better.

Many banks chose to make most or all of provisions for overdue loans rather than apply it as stated in Circular 03. Many even had debt coverage ratio above 100%, even some with over 200-300%. This option may affect their profitability in the short term, but results in higher profitability in the long term.

Vietcombank is the first bank to complete provisioning for its loans without having to use three years as guided by Circular 03. The lender also has the highest bad debt coverage ratio of 352% (that is to say, for every VND100 of bad debt, it sets aside a coverage of VND352). VietinBank, Agribank and BIDV also increased their bad debt coverage ratios to 129%, 131% and 131%, respectively.

Some big private banks also had relatively high bad debt coverage ratios, such as Techcombank (259%), MB (236%), ACB (208%) and TPBank (144%).

Some small banks are also more cautious with bad debts when they sharply increase provisioning in the first half of 2021 as compared to the same period in 2020. But despite the sharp increase in provisioning, their bad debt coverage ratios remain very low, for example PGBank (33%), SeABank (44%), Viet Capital (44%), VietBank (53%) and Saigonbank (53%).

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Extending debt restructuring period for another six months

Before hardships faced by businesses and banks owing to the COVID-19 pandemic, on September 7, the State Bank of Vietnam officially issued Circular 14/2021/TT-NHNN amending and supplementing some articles of Circular 01/2020/TT-NHNN on rescheduling debt repayment, exempting and reducing interest rates and fees, and keeping the existing debt category unchanged to support borrowers affected by the COVID-19 pandemic.

(continued on P.45)



difficulty caused by the COVID-19 pandemic, the demand for housing is always high. The more the pandemic spreads, the more strongly people want to own a safe private accommodation.

Besides, for professional investors or high-income earners, when the pandemic occurs, their money cannot flow into manufacturing and consumption channels and they therefore tend to pour money into real estate, which is always considered a safe and sustainable choice in the long run.

How Post-Pandemic Real Estate Likely to Fare?

After the COVID-19 pandemic, real estate in the vicinity of Ho Chi Minh City and projects invested by reputable investors are forecast to attract buyers.

The COVID-19 pandemic outbreak in the past three months has almost frozen the property market in many provinces and cities and largely halted secondary property deals. Particularly, online orders are allowed in suburban apartment projects.

High demand, unchanged prices

Reports by property market research companies show that real estate prices in the suburbs of Ho Chi Minh City have not declined, even increasing sharply during the outbreak of the COVID-19 pandemic. According to DKRA Vietnam, the suburban residential land market continues to take the lead as supplies are short in Ho Chi Minh City for four consecutive quarters. Dong Nai province continues to lead new supplies and new deals in the whole market.

New townhouse and villa supplies in Ho Chi Minh City and neighboring provinces suddenly increased by 78% as compared to the previous quarter but the supplies primarily rolled out in the first and second quarters of 2021. However, sales dropped around 23% over the same period in 2020 due to mandatory social distancing to prevent COVID-19 contagion.

A report from CBRE Vietnam also shows that, from the beginning of 2021, the cash flow into real estate has increased very quickly, especially early in the year. Many provinces even witnessed land frenzies. According to surveys, 75% of respondents wanted to invest in real estate and 35% planned to invest in the stock market before the COVID-19 outbreak.

However, in the last three months, mandatory social distancing to fight the pandemic resulted in a sharp redirection of cash flows into the stock market. There is no sign of property selloffs, especially in localities adjacent to Ho Chi Minh City. This shows that many investors are placing their money in property and waiting for the opportunity to buy real more after the pandemic.

Mr. Vo Huynh Tuan Kiet, Deputy Director, Housing Marketing Head of CBRE Vietnam, said, despite economic

Inevitable trend

Associate Professor Nguyen Minh Hoa, Vice Chairman of Ho Chi Minh City Planning and Development Association, said that high-rise buildings and separate houses better prevent COVID-19 infections than densely populated areas with deep narrow alleys at the heart of the city during the social distancing time.

In particular, when the pandemic contagion is becoming more complicated, many people return to their native land outside of Ho Chi Minh City to have a more peaceful and healthy life with their extended families. This will drive up property demands after the pandemic. Let alone, many areas in Ho Chi Minh City no longer have land funds for the time being. In neighboring localities like Dong Nai and Binh Duong, the land fund is still very abundant and the traffic is also increasingly convenient.

Dr. Hoa added, in order to adapt to climate change and sea level rise, Ho Chi Minh City intended to develop the main urban space to the East and North-Northwest. Only these areas have large enough land for investors to carry out creative planning, design large affordable projects to attract more buyers. Then, projects in neighboring localities like Tay Ninh, Dong Nai, Binh Duong and Ba Ria - Vung Tau will draw investors.

Importantly, consumers now tend to prefer spacious residences open to nature to small residences in the downtown, said Mr. Tran Khanh Quang, General Director of Viet An Hoa Real Estate Company, adding that the magnet of downtown property will weaken as a result.

More importantly, primary investors tend to develop large projects to build high-class residences with various added values and high profit margins. Therefore, they will actively direct buyers to such projects.

According to experts, the profit margin of projects in Ho Chi Minh City is currently only about 15%, relative to 30%-40% in other provinces. This explains why many real estate giants in Ho Chi Minh City and other countries are moving away from downtown.

"In my opinion, well-located residences where climate is pleasant, giant projects that are 60-100 km from Ho Chi Minh City invested by reputable investors will entice buyers, even a mild post-COVID-19 frenzy anticipated for a while. Especially, more interests will be placed on products to be delivered in 2023 and applied with flexible payment policies, he added.

Remarking on the appeal of real estate in the vicinity of Ho Chi Minh City, Mr. Vo Huynh Tuan Kiet said that real estate there has never been saturated to date. It may be quicker or slower, depending on drives generated by leading projects. He cited that real estate in Bien Hoa City, Dong Nai province is quite hot when many big developers such as Novaland, Nam Long and Hung Thinh all focus on deploying large urban areas and catch the attention of primary investors and end-buyers to place orders online. ■

KIEN GIANG

Proactive in Devising New Approaches in Investment Promotion

Improving investment climate, changing approaches to investment promotion

In the first six months of 2021, Kien Giang province granted operation licenses to 745 new companies which registered to invest a total of VND13,926 billion, up 24% in companies and 2.2 times in value from the same period of last year. The province also saw progress in investment attraction as it approved in principle five projects which registered to hire 17.37 ha of land and invest VND622 billion, thus affirming that Kien Giang is a safe and attractive destination for investors.

The above positive results also showed that investment promotion has been closely directed by the provincial government and actively responded by relevant agencies of all levels and branches, especially the Kien Giang Investment, Trade and Tourism Promotion Center which has actively changed its approaches in investment promotion and investment environment improvement, thus continuously generating new magnetism to businesses and investors. To give expert advice to programs under the Investment Law, since the beginning of 2021, the center has coordinated with relevant agencies and localities to counsel the Provincial People's Committee to issue three investment promotion programs for 2021, 2022 and 2021-2025.

Ms. Nguyen Duy Linh Thao, Director of the Kien Giang Investment, Trade and Tourism Promotion Center, said, given the complicated and prolonged fourth outbreak of COVID-19, overseas investment promotion is faced with numerous difficulties. Therefore, the center has focused on improving the effect of localized investment promotion which focused on



A trade program connecting agribusinesses

To cope with the complicated development of the COVID-19 pandemic since the beginning of this year, in addition to strict prevention measures, Kien Giang province has also adapted promotion and investment attraction programs to new normal; and ensured the timely execution of approved plans to achieve the overall development goal.

CONG LUAN

supporting existing investors in carrying out their projects until official operation, thus making them feel confident that Kien Giang province is a safe, friendly and attractive destination. The center has actively introduced its potential projects to strategic investors with potential finance, experience and technology (in India, South Korea and other countries) at its website www.kiengianginvest.com; made a list of qualified strategic investors to call for their investment into the province; attended online investment promotion activities organized by the Government of Vietnam like Meet USA, Meet Los Angeles and Live Talks with Florida; provided information on such publications as Kien Giang - Investment potentials and opportunities, investment incentive policies, investment project list and commercial product list of Kien Giang province; enlisted the help of the Vietnamese Embassy in the United Kingdom, the Vietnam Trade Office in the United Kingdom and the British Business Association in Vietnam to support trade and investment promotion with partners in the United Kingdom of Great Britain and Northern Ireland.

In addition, the center advised the Provincial People's Committee to host an online conference on Kien Giang - Odisha (India) cooperation in agriculture and fisheries; attended an online meeting on the initiative of investing in the establishment of "Pharmaceutical Park" in Vietnam held by the Vietnamese Embassy in India; and organized the Business Meeting in 2021. Following the direction of the Provincial People's Committee, the center also successfully organized the Kien Giang PCI Analysis Conference in 2020, then assisted the Provincial People's Committee to make an analysis report to the Provincial Party Committee; worked with the Kien Giang Business Association and district-level governments to open five communication events on PCI to inform business communities in Rach Gia, Chau Thanh, Kien Luong, Ha Tien and Phu Quoc; coordinated with the Foreign Investment Agency (FIA) - Ministry of Planning and Investment, the Center for Investment Promotion, Industry and Trade Development under the Vietnam Trade Promotion Agency (Vietrade) - the Ministry of Industry and Trade, foreign investment promotion agencies in Vietnam, domestic and foreign business associations and media agencies to introduce the province's investment potential and opportunities. It also met and worked with domestic investors to survey tourism and urban investment projects in Rach Gia, Phu Quoc, Ha Tien and Kien Luong; promptly and fully updated investment guidelines, mechanisms, policies and projects and helped investors find investment information in Kien Giang province.

Director Thao said, the complicated development of the pandemic has had a significant impact on investment, trade and tourism promotion. The center has actively carried out many promotion activities adapted to new local situations; coordinated with relevant agencies and localities to promptly advise the Provincial People's Committee to issue programs and plans in socioeconomic management, and effectively participated in international economic integration.

To effectively grasp opportunities from new free trade agreements signed by Vietnam like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EU - Vietnam Free Trade Agreement (EVFTA), the Regional Comprehensive Economic Partnership (RCEP) and the EU - Vietnam Investment Protection Agreement (EVIPA), the center has focused on accelerating market research, market information, world economic prospects and international economic relations amid the global COVID-19 pandemic crisis to serve its investment and trade promotion. The center has also constantly diversified its information channels and sources, utilized cooperation with foreign partners with Vietnam in general and Kien Giang in particular such as business associations of Japan, India, Malaysia, Singapore, Thailand, the UK, the US, Australia, Germany, South Korea and Italy; the Korea Chamber of Commerce and Industry (KCCI); the Korea Trade Promotion Agency (KOTRA); the Japan Trade Promotion Organization (JETRO) and the German Chamber of Commerce and Industry (GIC/AHK). From these efforts, the center professionalized investment, trade and tourism promotion



Kien Giang devises new approaches in investment, trade and tourism promotion in the new normal

and market research and achieved positive results, thus leaving deep impressions on businesses and investors of Kien Giang province as a safe and effective destination.

Raising quality and effect of investment promotion

Continuing what it has positively achieved, in the remaining months of the year, the Kien Giang Investment, Trade and Tourism Promotion Center will support continued localized investment promotion by proactively approaching and supporting large partners and investors to explore local investment opportunities, especially in prioritized areas to draw investors. The center will introduce local potential, strengths and investment opportunities to business associations, domestic and foreign enterprises; regularly update legal documents, guidelines and policies on investment attraction issued by the Government of Vietnam to adapt local regulations and policies to local actual conditions and situations; and focus on removing difficulties against ongoing projects.

In addition, the center will concentrate on improving the quality and effect of investment promotion; attracting resources for sustainable development with priority given to high-quality FDI projects engaged in high technology (especially smart agriculture, renewable energy and supporting industries) in support of technology transfer, environmental protection and smart cities. The center will promote and facilitate enterprises to participate more deeply in global and regional value chains and supply chains. "As production and business activities are being negatively impacted by the COVID-19 pandemic, Kien Giang province is determined to support investors and businesses to overcome the current difficult period. The province is effectively carrying out support policies adopted by the Government of Vietnam and proactively removing existing business obstacles for them to build a close government-business connection. This not only motivates them to do more business, but also makes the Kien Giang investment environment more attractive to investors. This year, the Provincial Party Committee and the Provincial People's Committee have close support and direction for improving the PCI Index. Kien Giang province recently set up a steering committee for PCI Improvement in a bid to better serve the people and businesses. ■



What Solution to Capital Demand for PPP Projects?

As the budget is not abundant while credit sources are increasingly difficult, the goal of building nearly 4,000 km of expressway in 10 years set by the Government needs more solutions to mobilize new capital. Which option will alleviate the "thirst for capital" for expressway projects under the mode of public-private partnership (PPP)?

HUONG GIANG

Mobilization from social resources

According to the Vietnam Chamber of Commerce and Industry (VCCI), highway construction in Vietnam in the last 10 years has made great progress with nearly 1,200km of roads completed, 10 times higher than that of 10 years previous. However, to realize the goal of the Resolution of the 13th Party Congress, the whole country will have to complete an additional 4,000 km of highways, nearly four times as the previous phase.

Mobilizing capital is a big problem in construction of highways, especially the North-South expressway project in the period 2016 - 2021. According to the original plan, 8 out of 11 component projects are invested in the form of PPP. However, because investors could not be found, 5 of these 8 component projects were converted to public investment. Only the three remaining projects, in sections Dien Chau - Bai Vot, Nha Trang - Cam Lam and Cam Lam - Vinh Hao, have found investors and are implemented in the form of PPP.

It is necessary to mobilize the entire social system to participate in highway projects. To do that, it is necessary to have policies to attract private enterprises to participate in the form of PPP and BOT.

The Law on Investment in the form of PPP is an important legal framework for mobilizing capital from the whole society for infrastructure investment, especially in transport works.

A representative of Deo Ca Group, the investor of one of the three North-

South expressway projects, said it was facing difficulties in mobilizing capital when banks tightened lending. The total investment of Deo Ca in traffic projects is currently over VND60,000 billion. The demand for capital in the coming time is very big, forcing the company to consider raising capital by corporate bonds.

Mr. Nguyen Viet Huy, Deputy Director of the PPP Department (Ministry of Transport), said that issuing corporate bonds was a legal solution and would open the door for investors to participate in the implementation of high-quality projects by PPP method.

With the goal of promoting the business community to participate in PPP projects, the Business Office for Sustainable Development (SD4B), the Vietnam Chamber of Commerce and Industry (VCCI) and the Public-Private Partnership Committee - National Council for Sustainable Development and Competitiveness Improvement are implementing the project: "Strengthening participation of the private sector in public-private partnership in Vietnam (2020-2024)".

Accordingly, the project supports the development of a policy framework to attract private investment in public-private partnership programs, especially projects related to sustainable development goals, and increases the efficiency of social investment capital.

Recently, the government issued Decree 28/2021/ND-CP on the financial management mechanism of investment projects under the PPP method with many regulations for issuing corporate bonds in PPP projects.

Accordingly, the source of loan capital mobilized from the issuance of corporate bonds and other lawful sources of capital up to the time of project contract negotiation is determined on the basis of a written commitment or agreement between lenders, bond-buying investors or bond-issuing organizations and investors, PPP project enterprises.

The total amount of capital committed to provide by the lender, bond-buying investor or bond-issuing organization is at least equal to the capital that the investor or PPP project enterprise must mobilize. In which, the total loan capital, including capital raised from the issuance of corporate bonds and other forms of borrowing (if any), does not exceed the total loan amount as prescribed in the PPP project contract.

Planning to issue corporate bonds for the first time

If successfully implementing the first corporate bond issuance in September and October 2021, Deo Ca Group will be the first enterprise to use this capital mobilization channel. It is expected that Deo Ca will issue corporate

bonds equivalent to VND2,700 billion to implement a number of newly won projects. Currently, Deo Ca is planning to implement Cam Lam - Vinh Hao project, a component project of the North - South expressway with a total investment of VND 9,000 billion, Huu Nghi - Chi Lang project with about VND7,500 billion and Dong Dang - Tra Linh project with VND12,000 billion.

Mr. Tran Van The, Vice Chairman of the Board of Directors of Deo Ca Group, said that in 2020 and 2021, the corporate bond market has developed dynamically, even more than the stock market, and has well met the needs and capabilities of the enterprise. Therefore, Mr. The considers this to be an important investment attraction channel in the future.

"I hope to soon issue corporate bonds to the public and even international bonds, because the transport sector needs huge capital," suggested Mr. Tran Van The.

The leader of Deo Ca also said that the bond issuance interest rate is expected to be about 12%/year, which will be paid to organizations and individuals on a monthly or quarterly basis. The bond interest rate expected to be issued will be about 1.5%/year higher than the interest rate in the project finance plan. In order to ensure the feasibility of raising capital from bond issuance, the investor will reduce the profit margin at the project and take part of the profit from other production and business activities to compensate for the part of the differential interest rates. ■

MOIC Releases COVID-19 Electronic Handbook

The first version of the electronic handbook on COVID-19 prevention and control was recently released by the Ministry of Information and Communications and the Ministry of Health. Available at the website covid19.mic.gov.vn, users will be provided with necessary documents and data for effective prevention and control of the contagious pandemic.

The handbook is comprised of four major parts: Data - Displaying visual COVID-19 pandemic data and statistics across the country; Documents - Providing information and tools for searching documents, regulations, policies and executive orders of the Government, the Prime Minister and the National Steering Committee on COVID-19 Pandemic Prevention and Control; Communications - Providing images, videos and infographics on measures to prevent and control the COVID-19 pandemic; and Technology - Introducing and instructing the use of technology platforms to support COVID-19 pandemic prevention and control.

Storing all data, images, documents and technologies on COVID-19 prevention and control, this handbook, developed by the Ministry of Information and Communications and the Ministry of Health, aims to help all agencies, organizations, businesses and individuals to easily look up pandemic prevention measures online.

In the coming time, the handbook will be updated by the Ministry of Information and Communications and the Ministry of Health to become an essential website for everyone to search for when, what and how to prevent the pandemic effectively.

Over 85,000 Businesses Leave Market

As many as 85,500 companies terminated operations in the first eight months of 2021, an increase of 24.2% from a year earlier, said the General Statistics Office (GSO). Ho Chi Minh City accounted for the most with 24,000 companies ending their operations, or 28.1% of total.

Of the sum, 43,200 enterprises halted their operations for a definite time, 25.9% more than a year earlier; 30,100 companies stopped operations and waited for bankruptcy procedures, up 24.5%; and 12,200 corporates completed dissolution procedures, up 17.8%.

Sectors that witnessed the largest number of companies leaving the market included automobile and motorbike wholesaling, retail repairing (4,507 companies); processing and manufacturing (1,415 companies); construction (1,080 companies); science, technology, design, advertising and other professional consulting services (732 enterprises); and accommodation and catering services (700 businesses).

In August 2021, the country had 5,761 new companies, which registered to start with VND68 trillion and employ 43,400 workers, down 34.1% in enterprises, 44.6% in registered capital and 39.1% in employees from July 2021; down 57% in enterprises, 76.5% in capital value and 54.9% in hiring from the same period of 2020.

On average, a new company registered to invest VND11.8 billion, down 16% from the previous month and down 45.3% from the same period last year.

Ha Linh

VSS Joining Hands to Overcome Pandemic



VSS General Director Nguyen The Manh

In the context of the COVID-19 pandemic still developing complicatedly in Vietnam, the Vietnamese social security sector has joined hands to prevent the pandemic; continued to work with central and local agencies to advise and propose policies and solutions to better support policyholders of social insurance and health insurance; assisted employers and employees affected by the COVID-19 pandemic; actively and drastically adopted many solutions to support and serve policyholders; and removed difficulties for employers and employees.

HUONG THOM

Actively, quickly carrying out support solutions

Adhering to directions of the Government and the Prime Minister, to urgently deliver Government support policies to employees and employers faced with difficulties caused by the COVID-19 pandemic, right after the Government issued Resolution 68/NQ-CP and the Prime Minister issued Decision 23/2021/QĐ-TTg, the Vietnam Social Security (VSS) mobilized all efforts to drastically implement support policies on social insurance and unemployment insurance by avoiding additional procedures and documents, handling all applications in time and making settlement for employees and employers in less than one working day.

As a result, just over a week after the Prime Minister issued Decision 23/2021/QĐ-TTg, on July 16, 2021, the VSS completed the reduction of payment to 0% to the occupational accident and occupational disease insurance fund. Specifically, social security agencies of provinces and cities completed procedures and sent notices to 375,335 employers, who hired 11,238,437 employees. The reduced value of the payment to the occupational accident and occupational disease insurance fund (from July 2021 to June 2022) was VND4,322 billion.

This reduction is both a practical solution that helps businesses overcome the current difficult period, and it ensures the settlement of employees' legitimate rights when they unfortunately suffer from an occupational accident and occupational disease, thus helping ensure their livelihoods and health, especially when they are struggling to live through the COVID-19 pandemic.

In addition, the Vietnamese social security sector received and processed applications filed by 403 units in 44 provinces and cities with 68,568 employees temporarily suspending payment of VND473.3 billion to retirement and

survivorship funds as of September 1, 2021. They verified the list of 651,429 employees hired by 26,595 employers in 61 provinces and cities to enjoy policy benefits.

Timely settlement of benefits for policyholders

In the past years, payment and settlement of social insurance, health insurance and unemployment insurance benefits for policyholders have always been properly, adequately and promptly implemented by the social security sector. Given the complicated development of the COVID-19 pandemic since 2020, this work has been actively facilitated to make timely payments and enable policyholders of social insurance, health insurance and unemployment insurance to enjoy benefits.

In 2021, the COVID-19 pandemic is developing more complicatedly. In the first eight months, the entire social security sector settled sick benefits for 4,739,050 people, maternity benefits for 1,202,594 people, and medical treatment benefits for 258,323 people. By the end of July 2021, over 84 million insured people received medical examination and treatment; more than 400,000 people received unemployment benefits; and more than 9,000 workers got vocational training support.

The COVID-19 pandemic is reportedly devastating the business operations of many enterprises whose workers lost their jobs. Support policies on social insurance and unemployment insurance according to Resolution 68/NQ-CP of the Government for employees and employers as well as the full and timely settlement of social insurance, unemployment insurance and health insurance by the social security sector for policyholders have worked effectively, helping people, employees and businesses to overcome



VSS General Director Nguyen The Manh meets with leaders of relevant agencies to launch policies in support of employees and employers in trouble because of COVID-19

difficulties. The social security sector has affirmed its pivotal role in the social security system.

Speeding up IT application, flexible support methods

During the fight against the COVID-19 pandemic, many localities have to adopt social distancing. To provide benefits of social insurance, health insurance, unemployment insurance and other support policies to beneficiary people, employees and businesses in a timely manner, the VSS has applied flexible and creative payment and support methods to provide the greatest convenience for policyholders.

The VSS provided 100% of Level 4 public services online (documents are sent, delivered and returned online) on the National Public Service Portal; promoted payment of pensions and social insurance benefits through ATM accounts and the banking system, paid at residence addresses of beneficiaries; encouraged policyholders to use

the VssID application on smartphones for use in medically insured medical examination and treatment, for use in work with social security agencies and for use in a search for other insurance information. This will help people reduce mobility and contact, thus helping reduce the risk of COVID-19 infections in the community.

In addition, VSS has coordinated with the Government Office and related agencies, connected and integrated to provide five out of seven online services to support employees and employers faced with difficulties caused by the COVID-19 pandemic on the National Public Service Portal (<https://www.dichvucong.gov.vn>), including supporting laid-off and unpaid leave employees; supporting employers to borrow money for salary payment; supporting laid-off employees; supporting employees who terminate employment contracts but are not eligible for unemployment benefits; and halting payment to the pension and death fund.

Before the complicated development of the COVID-19 pandemic, when many provinces and cities needed to use data and authentication information about policyholders and beneficiaries of social insurance, health insurance and unemployment insurance, VSS has actively shared data in the national insurance database, enabling localities to use for making test lists, vaccination lists, check medical records, quickly monitor and trace infections, and zone and eradicate infections in industrial parks, export processing zones and factories.

It can be seen that a series of active and drastic solutions of the social security sector have helped improve service quality for policyholders of social insurance and health insurance; promptly supported employees and employers faced with difficulties caused by the COVID-19 pandemic, especially reducing mobility to and physical contact with social security officers in dealing with insurance policies, thus a good way to restrict COVID-19 contagion in the community. ■

Bottlenecks in Supply Chain Hinders German Companies in Vietnam

The current survey of 3,000 German companies in Germany and abroad, including Vietnam, across all sectors, showed that material shortages and higher costs are creating headwinds for the majority of German companies in Vietnam, potentially complicating their recovery from the coronavirus crisis.

The survey found 60% of companies were complaining about price increases or supply chain bottlenecks for raw materials, intermediate products, and goods.

Shortages of raw materials and supply chain problems are hitting German businesses in Vietnam. The current development may noticeably complicate the economic recovery process after the crisis and the pre-crisis level of the gross domestic product might not be reached before mid-2022 (58%).

The main reasons for raw material shortages as claimed are: increased demand (67%); production capacity (58%) - due to the diversified situations (and escalations) of the COVID-19 pandemic around the world-, and transport problems (83%).

The bottlenecks in the supply chain are causing numerous difficulties in terms of production activities for the surveyed companies such as higher input prices, longer waiting time, and even production interruption.

Besides, 90% of German companies in Vietnam confirmed that seeking new or additional suppliers in Asia Pacific as well as putting higher inventory levels are also relevant solutions at the time.

50% of the companies have no choice but to increase the manufacturing prices of their products, and they intend to do so.

Thu Ha



GREAT ACHIEVEMENTS IN NEW RURAL DEVELOPMENT

After 10 years, the program of New Rural Development has achieved "great, comprehensive and historic" results. By the end of 2020, the number of communes meeting the new rural standards exceeded the target by 12.4%. By July 2021, 64.6% of the communes met the new rural standards, 29% of the districts met the new rural standards, and 12 provinces having 100% of communes met new rural standards.

By 2025, Vietnam strives to have at least 50% of districts, towns and provincial cities meet new rural standards, with at least 20% qualifying as newly enhanced rural districts and model new-style rural districts.

BAO DAN

to focus on improving the efficiency of agricultural restructuring and rural economic development, specifically, improving the operational efficiency of agricultural cooperatives in association with value chain linkages; supporting start-ups and innovative businesses in restructuring the agricultural sector and developing rural economy; strongly implementing the One Commune One Product Program, and developing rural tourism.

Imprint of new rural areas

According to Minister of Agriculture and Rural Development Le Minh Hoan, the Program has become a vibrant movement across the country. After 10 years of implementation, the Program has achieved important results, which, according to the Party and State leaders, are "great, comprehensive and historic".

Income per capital in rural areas in 2020 reached VND41.7 million/person/year, 1.7 times that of 2015 and 3.25 times that of 2010. The rate of multidimensionally poor households in rural areas in 2020 was about 7.1%, down 4.7% compared to 2016.

Referring to a number of new points of the Program for the 2021-2025 period, Minister Le Minh Hoan said the program, which was based on the principle "The new countryside is the foundation, agricultural restructuring is fundamental, the people are the subjects", basically continued the tasks of the previous period and focuses on key ones. The Program for the 2021-2025 period focuses on implementing the following key tasks: supporting communes and districts to meet the new rural standards and improve the quality of the standards that have been met in a sustainable way; targeting that the whole country will no longer have communes that meet less than 15 standards and encouraging localities with favorable conditions to actively build model rural areas.

Besides, Minister Le Minh Hoan emphasized the need

Promoting digital transformation

The beneficiaries of the program are people, residential communities, cooperatives, businesses and socio-economic organizations in rural areas. The program includes 11 components: Improving the efficiency of management and implementation of new rural construction according to planning in order to improve socio-economic life in rural areas associated with the process of



urbanization; developing basic socio-economic infrastructure to be synchronous and modern, ensuring rural-urban connectivity and regional connectivity; continuing to effectively carry out the restructuring of the agricultural sector and developing the rural economy; poverty reduction and sustainable social security, especially in ethnic minority areas, mountainous areas, coastal plains and islands. The program also includes improving the quality of education and health care for rural people; improving the quality of cultural life of rural people; preserving and promoting traditional cultural values in a sustainable way in association with the economic development of rural tourism; improving environmental quality, strengthening rural clean water supply system; building a bright-green-clean-beautiful and safe rural landscape; preserving and restoring traditional images and landscapes of the countryside; promoting and improving the quality of public administrative services; and promoting the digital transformation in agriculture and rural development toward building smart rural areas.



the quality of life of rural people and solve pressing and existing problems in the construction of new rural areas that emerged after 10 years of implementation, including science and technology program for the construction of new rural areas; One Commune One Product (OCOP) Program; project on developing rural tourism in association with preserving and promoting traditional culture in the construction of the new countryside; project on the

environment, hygiene, food safety and rural clean water supply; project on digital transformation in new rural construction, towards smart new countryside; project to improve the quality and efficiency of implementing security and order criteria in the construction of new rural areas.

The total mobilized resources for the implementation of the 2021-2025 period is expected to be about VND2.450 trillion, including Central budget capital of VND39,632 billion (accounting for 1.6%); local budget capital of about VND156,700 billion (accounting for 6.4%); integrated capital from the remaining two National Target Programs and other programs and projects about VND224,000 billion (accounting for 9%); capital mobilized outside the budget expected to be more than VND2 million billion (accounting for more than 83%), including Credit capital about VND1.79 million billion (accounting for 73%); enterprise capital about VND105,500 billion (accounting for 4.3%); and mobilized voluntary contributions of the people about VND139,300 billion (accounting for 5.7%).■

State budget allocation for the period 2020 - 2025

According to the Ministry of Agriculture and Rural Development, in order to improve the efficiency of the implementation of the above contents, six key thematic projects/programs will be implemented to further improve

Vietnam's OCOP Products Reach Foreign Markets

Twenty-one out of 27 districts, towns and cities of Thanh Hoa province had OCOP products as of end-June 2021. Among 100 recognized OCOP products, Le Gia shrimp paste and fish sauce (Hoang Hoa district) is the only 5-star product, which has already been exported in large quantities to Japan, South Korea and South Africa, and sold across supermarkets in Hanoi.

To upgrade products, affirm brand names, and establish a strong foothold in the market, many manufacturers in Thanh Hoa province have come up with innovative solutions suitable to local potential and strengths. By June 2021, Thanh Hoa province certified 100 OCOP products, of which Le Gia shrimp paste was assigned a 5-star class (national class), 27 products assigned 4-star and 72 products classified 3-star (provincial class).

In 2019, Binh Son Agro-Forestry Cooperative had two 3-star products and it now has four products of this class thanks to diversification. Besides original tea, the cooperative launched two more products: Binh Son filter green tea bag and Binh Son filter thorny eggplant tea bag.

To broadly bring the products to more consumers, it has promoted and expanded consumer markets, targeting many different segments through distribution agents, chain stores and supermarkets in Thanh Hoa and other provinces. As a result, after two years, its revenue doubled to VND2 billion as compared to prior certification of provincial OCOP products.

With 14 rated products, Nga Son district is leading Thanh Hoa province in certified products. According to Mr. Thinh Van Huyen, Vice Chairman of Nga Son People's Committee and Chief of Nga Son New Rural Coordination Office, this result has come from the district's efforts to develop OCOP products on the outset, based on many local advantages. The district directed communes to stick to OCOP product criteria for implementation, with special attention paid to quality and design. To assist manufacturers of OCOP products, the district assigned the Office of Agriculture and Rural Development to lead surveys on products, seeking potential OCOP products and guiding them to carry out procedures for being OCOP products. In addition, Nga Son provided financial support for producers to develop products and find markets.

Driving Rural Economic Development



Quang Ninh province presently has 464 OCOP products

The One Commune One Product (OCOP) Program has enabled agricultural restructuring, raised production value and branded agricultural products for many localities after three years of implementation, according to the Ministry of Agriculture and Rural Development. In the coming time, besides upholding achieved results, localities need to improve product quality and innovation to attract domestic and foreign consumers.

DO NGOC

Expanding consumer markets

Quang Ninh province initiated the OCOP Program. Mr. Bui Van Khang, Vice Chairman of Quang Ninh Provincial People's Committee, said Quang Ninh defined this as an important endogenous economic development program, a suitable solution to local rural development conditions coupled with agricultural restructuring. After nearly 10 years, especially in the accelerated period of 2018-2020, Quang Ninh province presently has 464 OCOP products, of which 236 products are ranked 3-4-star class, twice that of 2017. As many as 180 producers that join in the OCOP Program recorded VND1,500 billion of revenue and VND270 billion of profit in 2020, doubling the figures in 2017. They generated stable incomes for 4,500 workers. This approach has motivated sustainable rural economic development and improved rural people's livelihoods in Quang Ninh province.

Like Quang Ninh, Ha Tinh province always pays due attention to rural economic development and OCOP products are considered a "breakthrough approach" for successful and sustainable new rural development. Mr. Dang Ngoc Son, Vice Chairman of Ha Tinh Provincial People's Committee, said, in the province's general plan to 2030, with a vision to 2045, Ha Tinh defined agriculture and rural development as remaining the focus of investment towards green and sustainable economic development. To do this, Ha Tinh has cared much about the OCOP Program. Up to

now, the province has had more than 300 product ideas, including 152 3-star products and seven 4-star products. Most 3-star or higher-ranked products have higher sales, averaging 40% more than when they were not OCOP-certified. Some products have double or even 4-5 times the revenue. Some are being exported to foreign markets. "This is really an impressive and unexpected performance, even for us who are involved in the OCOP Program," he added.

Ha Tinh issued consistent program support policies from business planning, production preparation to final trade promotion. The province spent VND20 billion in 2019 and VND40 billion in 2020 for the OCOP Program. It assessed and classified OCOP products strictly, objectively and publicly on social networks.

According to the Central Steering Committee for National Target Program for New Rural Development, the One Commune One Product (OCOP) Program currently has 4,469 products (72%) out of a total of 6,210 registered products certified 3-star class or higher. 60.7% of 3-star or higher-ranked OCOP products have average annual revenue growth of 17.6% and their selling price rises 12.2% after being certified. Notably, products sent to the central agency for being certified as a 5-star class (national class) grow 20-40% in revenue.

New Rural Development in Poor Commune

Phu Thinh, which was previously a poor commune of Yen Son district, Tuyen Quang province, is now rising strongly to realize the goal of new countryside development.

Previously, when poverty was a stubborn issue, the life of villagers was very hard and they struggled to make ends meet. To increase incomes for local people, Phu Thinh commune encouraged them to restructure cultivated plants and animals. Particularly, the commune gradually established key commercial crop and livestock farming areas. Up to now, Phu Thinh has 14 ha of pomelo, 6.5 ha of dragon fruit, 2,100 ha of forest, including 424 ha of FSC certified forest. Annually, 120 ha of forestland is for commercial logging, earning more than VND1 billion.

Specially, the commune recently effectively adopted organic cucumber farming on a trial basis. Cucumber farmers are provided with seeds, instructions on tending procedures and guaranteed to have all products sold for at least VND2,000 per kilogram and for an average price of VND5,000 per kilogram. As a result, after just one crop of cucumber, many households earned a profit of VND7 million per sao (360 square meters), 2-3 times higher than rice and maize growing.

Nget village of Phu Thinh commune has 113 households, 99% of which are Dao people. It is the poorest village in Phu Thinh commune, with 16 poor households and 19 near-poor households. The rice and vegetable growing area is just 26 ha, equally divided to less than a half of sao per person. Thus, it is impossible to guarantee enough food from locals. But, Nget has the largest forestland in the commune, covering 400 ha. In addition to afforestation, villagers actively work as hired laborers in their leisure days or work as industrial workers in industrial parks to earn more. This year, four households in the village are financed VND20-50 million each to build houses.

By the end of 2021, Phu Thinh commune will strive to reach the goal of new rural development. The commune has achieved 16 criteria, three more to the full: schools, residential housing and income. Currently, the commune's per capita income is VND33 million a year. It has 30 poor households and 46 near-poor households. Six out of seven villages have cultural houses with sports fields, meeting new countryside standards. It has 17 km of concrete roads, 10.8 km of electric transmission lines for traffic lighting, and over 70% of strong houses.

Residents Contribute VND24 Bln for New Rural Development

Truong Yen is an economically developed commune of Chuong My district, Hanoi because local residents are living on carpentry, bamboo and rattan handicraft, garment, trade and service, beside agriculture. This is a solid foundation for the commune to mobilize all people to engage in new countryside construction.

When the commune government announced the new rural development project and its associated planning, in addition to the budget support from Hanoi and Chuong My district, Truong Yen actively mobilized all people to engage in the project implementation and attracted local and external businesses, organizations and individuals into the project. Of the total budget of more than VND136.4 billion for new rural development, people and social resources donated nearly VND24 billion. The commune raised over VND8 billion for social security construction works.

The secret of mobilizing resources for building socialized welfare works in Truong Yen is that such works are carefully discussed by residents who elect a construction design committee and a communication committee which will give clear information, evidence, purposes and significance of these works to the people. The list of individual and collective supporters is publicly announced to inspire new donors.

As for private funding, especially from the people, the district spends on upgrading roads and drainage systems; restores and upgrades communal houses, temples and pagodas. The district directs communes and townships to mobilize contributions in various appropriate forms on the basis of promoting public democracy; manages and uses the fund contributed by the masses in a public and democratic manner. The people directly manage and invest in approved new countryside development projects.

Currently, Truong Yen is focusing on improving indicators to reach an advanced new countryside status in 2022. The province continues receiving financial support from villagers and businesses for building new cultural houses in Nhat Tien, Phu Yen and Tan Tien villages and upgrades many welfare works; raises public awareness of environmental sanitation; fosters cultural and sports movements; and maintains political security, social order and safety. ■

Consumer products must be sealed with a stamp granted by the Provincial OCOP Administration.

Consensus in administration

Mr. Bui Van Khang said, based on what actually happened in the locality, to make OCOP products successful and bring more economic benefits to people, OCOP products must be made from what the public, cooperatives and businesses planned rather than administrative orders. At the same time, the direction of the Party and authorities at all levels must be consistent, regular and continuous. Central objectives and tasks must be defined to engage the entire political system. In particular, it is necessary to uphold the role of leaders of Party and government agencies, strengthen assistant

personnel for the OCOP Steering Committee, and upskill OCOP staff. The province also regularly inspects and presses on the implementation of the OCOP Program to have timely solutions for problems and difficulties in the way for stakeholders.

Mr. Dang Ngoc Son suggested that, in the coming period, the program clearly define the role and vision of the OCOP Program and make it a key program for rural economic development, a livelihood for sustainable rural development. It needs to make early transformational changes in OCOP product management and development across the country, turn OCOP products into national brands, and soon complete the regulatory framework for the program. "OCOP product evaluation and classification must be strict, objective and substantive enough. Unserious and easy work may result in disreputation and brand failure of the program," he noted. ■

Hanoi Uplifting Cooperative Roles in OCOP Program



The OCOP Program is the focus of rural economic development in the course of shifting from agricultural production to agricultural economic mindset. With 282 out of 1,054 OCOP-certified products, Hanoi-based cooperatives have affirmed their role in the One Commune One Product (OCOP) Program in particular and rural economic development in general.

BAO DAN

According to the Coordination Office of the Hanoi New Rural Development Program, 64 cooperatives participating in the OCOP Program have developed 282 products since 2019. Many have numerous OCOP-certified products like Thanh Ha Agricultural Service and Production Cooperative (Thuong Tin district) with 30 products, and Cuoi Quy Hi-Tech Organic Vegetable Production and Consumption Cooperative (Dan Phuong district) with 17 products. Cooperatives have affirmed their position in the city's OCOP Program, which is highly appreciated by consumers.

Ms. Bui Thi Thanh Ha, Director of Thanh Ha Agricultural Production and Service Cooperative, said, with 30 vegetable products certified as 4-star OCOP products by the Hanoi People's Committee, the cooperative supplies daily about 300kg of vegetable sprouts and baby vegetables such as watercress, leaf mustard, spinach and lettuce. The cooperative, which employs 20 workers, earns VND3 billion per hectare of

crops a year. Mr. Phung Quoc Luong, Director of Dong Thai Business Service Cooperative, said, "By the end of 2020, Dong Thai sweet potato was certified as a 4-star OCOP product by the Hanoi People's Committee and sweet potato leaves were also recognized as a 3-star OCOP product. A sao (360 square meters) of sweet potato can generate about VND10 million of revenue a season, much higher than rice.

Needless to say, with detailed and comprehensive product classification evaluation criteria, plus guidance from authorities, cooperatives have been aware of weaknesses and strengths from which they have made adjustments to more scientific production and processing. Besides, the OCOP Program has helped cooperatives to develop product strategies for new market segments and improve product quality and brand.

However, like many other OCOP products, products made by cooperatives are having difficulty accessing new science and technology, credit sources and market development. Mr. Phung Van Ha, Chairman of the Board of Directors of Nui Be Grapefruit Cooperative (Nam Phuong Tien commune, Chuong My district) hoped to receive support for access to capital, land, science and technology to improve management and production capacity to meet the increasing market demand. Responding to Ha Noi Moi Newspaper's reporters, many cooperative representatives proposed that the city promote communications on OCOP products to consumers for easier access, choice and usage.

Highly appreciating cooperative roles in OCOP product development, Mr. Nguyen Van Chi, Deputy Director of the Standing Coordination Office for New Rural Development Program in Hanoi, said, right as the city started applying social distancing measures to prevent and control the COVID-19 pandemic, the Hanoi Coordination Office for New Rural Development Program has still organized a lot of online trade promotion and training for sales agents. For the time being, the office is preparing to organize Hanoi Online Forum 2021 in early September to match OCOP product supply and demand for organic agricultural products and foods. Mr. Pham Thanh Do, Head of Me Linh District Economic Department, said that in the coming time, the district will focus on supporting cooperatives to apply high technology and link chains for sustainable production, assisting cooperatives to select and improve OCOP products.

Continuing to promote cooperative roles in the city's OCOP Program, Deputy Director of Hanoi Department of Agriculture and Rural Development Ta Van Tuong said, along with consolidating and improving working performance, developing agricultural cooperatives for stronger interconnectivity, Hanoi will foster development of general service cooperatives integrated with tourism activities and help cooperatives make more OCOP products in 2021 and beyond. ■



LAM DONG

Comprehensive and Creative in OCOP Program

In Lam Dong province, the OCOP Program has helped many farmers, businesses, and cooperatives to effectively unlock and promote their potential and advantages and create many valuable and branded products, thus helping transform production models and increase people's income.

DINH BAO

According to the Lam Dong Department of Agriculture and Rural Development, after three years of OCOP Program implementation, local OCOP products have increased rapidly in quantity and value. In the beginning, Lam Dong province set a goal of creating 20 products but it now has 123 products, of which 51 are assigned a 3-star class, 65 are certified 4-star and seven are submitted to the National OCOP Product Evaluation Council for 5-star recognition. Through this program, many local agricultural products have earned star recognition and reached the market, including Lam Ha macadamia, Oolong tea, Da Lat vegetables and flowers, air-dried persimmons using Japanese technology, artichokes, Catimo and Cau Dat arabica coffee, Quyt Da Teh sticky rice, Hat Ngoc Cat Tien rice, LaBa Phu Son banana, and Chau Ma wine in Buon Go village.

Along with impressive results, the OCOP Program in Lam Dong has also left a lot of valuable lessons and experiences and upheld the creativity of stakeholders. A typical example is Truong Phuc Hydroponic Vegetable Farm in Da Sar commune, Lac Duong district. The farm's products are certified 3-star class, which required it to spend VND2.2 billion on building greenhouses and VND5.5 billion on installing a reflux hydroponic system and ancillary equipment. In addition, the farm has also adopted European vegetable tending standards and packaging processes. Seeing the operating scale and process of the farm, visitors will certainly feel how devoted the farm owner is to products.

Mr. Nguyen Van Chau, Deputy Director of the Department of Agriculture and Rural Development, said, Lam Dong province has given priority to the development of locally distinctive products, products made with sophisticated technology and intensive processing to increase the value; fostered connectivity of stakeholders, with the focus placed on linkage between companies and farming households; assessed and ranked OCOP products; and prioritized advertising and trade promotion of OCOP products.

Upholding its achievements, Lam Dong province targets to have 168 more OCOP products by 2025; 70 products meeting 3-star class; 80 products earning 4-star class; and 18 products of 5-star class. At present, 130 producers have registered to participate in the OCOP Program, including 26 cooperatives, 95 small and medium-sized enterprises (SMEs), and nine individual households. The effect of the OCOP Program has caught the great attention of many cooperatives, farmer households and businesses, thus helping speed up transformation of production models, increase economic performance and raise incomes for rural people in Lam Dong province. ■

Supporting SMEs to Overcome Difficulties

Given the complicated development of the COVID-19 epidemic, the business community, especially small and medium-sized enterprises (SMEs), is looking forward to supportive policies from the Government and central agencies.

HA LINH

Supporting FDI firms to live through the “storm”

Businesses, especially SMEs, are facing numerous difficulties due to the complicated and prolonged pandemic. A quick online survey by the Ho Chi Minh City Business Association (HUBA) showed that, during this 4th COVID-19 wave, up to 84% of SMEs are in difficulty, of which 40% lacked business capital; 80% have their markets contracted; 52% reduced staff; 14% have input supply chains disrupted; and 50% were hindered by social distancing measures to prevent COVID-19 contagion.

This explains why many businesses had to terminate operations. According to the Business Registration Administration (Ministry of Planning and Investment), 85,500 companies left the market in the first eight months of 2021, up 24.2% over the same period in 2020.

Currently, enterprises are facing numerous hardships: Contracted aggregate demand, short cash flows and increased input costs; disrupted or locally stalled production, consumption and export supply chains; hindered distribution as a result of COVID-19 epidemic prevention measures, and difficult employment. And, although the Government issued many support policies, most SMEs have not yet accessed such support.

As a leading exporter of Vietnamese cinnamon products to the world, Vietnam Cinnamon Production and Export Joint Stock

Company (Vinasamex) is also confronting difficulties. Sharing with Vietnam Business Forum, Ms. Nguyen Thi Huyen, General Director of Vinasamex, said that the COVID-19 pandemic has given rise to increased production, export and investment costs. Investment projects are delayed by mobility restrictions; costs rose because of new administrative procedures; and logistics and shipping costs increased. Besides, customers and partners in the US and Europe could not come to Vietnam to boost trading and investment cooperation as before.

Businesses waiting for practical and timely support

To support businesses to overcome COVID-19 epidemic impacts, the Government recently launched a series of support policies; extended tax and fee exemption and reduction; extended the deadline for tax and land rent payment to support businesses and individuals hurt by the COVID-19 epidemic; and introduced monetary - credit support packages. However, these measures so far have little effect and many SMEs cannot access these supports.

According to economic experts, many companies only have access to some loan support for paying wages to their employees' salaries for the time being, while many other credit support programs are inaccessible because they have to meet other borrowing requirements from banks. Therefore, it is necessary to have timely policies and close solutions on credit support and debt rescheduling for businesses affected by the COVID-19 epidemic.

Like most other construction contractors, Mr. Ngo Huu Tiep, Chairman of the Board of Directors cum General Director of Giza E&C, is looking forward to practical and timely support policies from the government. He hoped that the government will have workable policies to ensure the balance of supply and demand and stabilize the market price of construction materials. Besides, it will necessarily introduce more accessible credit sources, extend loan repayment terms and reduce interest rates to ensure production and business.

Ms. Nguyen Thi Huyen, General Director of Vinasamex,

hoped to access the government's support policies, especially zero-interest loans to pay salaries for employees in addition to measures to support traders and exporters to connect with importers in European, the United States and other markets.

Previously, on August 29, SMEs in Ho Chi Minh City also jointly proposed that the government help to remove their difficulties when they were suffering heavy damage from the epidemic. Their specific proposals included suspending payment of social insurance premiums for at least six months after announcing the end of the epidemic; exempting and reducing 100% of social insurance premiums of employers and employees during the pandemic time when they have to halt operations and apply social distancing measures.

In addition, companies need support policies concerning tax, fee and interest rate. They hope that the Government will have a step-by-step roadmap for gradual reopening when workers are vaccinated. ■



Improving Finance Functions to Drive Business Operation

The role of accountants and financial professionals has evolved beyond tactical applications. More so during this pandemic, where the financial stability and performance of many organizations are severely tested. As planning, forecasting and scenario analysis become increasingly relevant in all aspects of business decisions, many finance teams across Southeast Asia (SEA) have gained a seat at the leadership table.

However, in the recent report 'Finance functions: Seizing opportunities - A Southeast Asia perspective' jointly conducted by the Association of Chartered Certified Accounts (ACCA) and PwC, only one in three respondents believe this current elevated status will last. Finance functions should capitalize on the progress made and develop an even stronger relevance by helping their organizations define business strategy and direction.

Promoting best ESG practice

There is an underlying force for societal and business issues to come together and transform how organizations operate. Governments' ambitious, top-down commitment to reach net zero target is increasingly backed by international agreements, national-wide programs and upcoming regulations. In addition, COVID-19 has heightened the public interest in many issues of Environmental, Social and Governance (ESG) including employees welfare and equality in the workplace. Interestingly, findings in this report highlight that finance functions can no longer focus on profit maximization only. Instead, businesses must acknowledge and address sustainability issues.

Stakeholders today are demanding greater transparency on non-financial data disclosure. Finance teams have an important role to play in explaining the organization's journey. Since ESG is becoming an integral part of it, the function should reimagine

reporting with sustainability-based insights which can support strategic and operational decision-making, as well as foster the right control mindset over these issues.

In the context of Vietnam, Nguyen Hoang Nam who leads the Assurance ESG practice of PwC Vietnam, said: "ESG principles are fast becoming business imperatives. Today, ESG is increasingly being built into the core of an organization - from its reflection in the purpose and mission of a business to being a key topic in stakeholder engagement. It is time for organizations in both public and private sectors to take a proactive approach in their ESG adoption journey. The current initiatives in Vietnam such as Annual Sustainability Report Award or Vietnam Sustainability Index are well recognized for promoting the best ESG practices among public listed entities. This should also extend to a wider group of businesses in Vietnam to bring more value to the entities themselves and the community. Along this journey, I strongly believe the finance function will play a vital role in how businesses build, measure, track and disclose their ESG metrics and reporting."

Accelerating technology adoption into the finance functions

Another opportunity to strengthen relevancy lies in digital transformation. According to the report, respondents in SEA have a relatively stronger expectation in pursuing digital capabilities compared to their global counterparts. Many surveyed CFOs in this region agree that emerging technologies such as cloud technology, automation and artificial intelligence will not only help generate sharper insights to support better and faster decision-making - it can also reduce costs.

For finance to use predictive analytics to look ahead, the report also highlights that finance teams often lack a data-centric approach to driving meaningful insights and the different mix of skills needed to deliver them. They need to be able to draw relevant business insights from a large volume of data for decision makers and have the confidence to challenge the leadership team based on their analysis.

Sreenidhi Thubanakere, Director, Management Consulting of PwC Consulting Vietnam, further commented: "It is not all about the technology. People and Process are also enablers that allow the finance function to move toward digitalization. Organizations must empower their people with training and upskilling programs. While having your organization's culture, goals and appetite for change in mind, redesign your process in a way that creates value and encourages collaboration across the business."■

(from P.30)

Accordingly, debt restructuring will be applied to loans arising before August 1, 2021 from lending and financial leasing activities (instead of before June 10, 2020); outstanding loans subject to repayment of principal and interest from January 23, 2020 to June 30, 2022 (Circular 03 gave the time from January 23, 2020 to December 31, 2021).

Besides, repayment rescheduling will be extended by six months compared to Circular 03 till June 30, 2022.

Additionally, Circular 14 adds a case where the repayment term is rescheduled when the balance of the outstanding loan arises from June 10, 2020 to before August 1, 2021 and is overdue from July 17, 2021 to before September 7, 2021.

According to this circular, credit institutions and foreign bank branches shall decide on interest and fee exemption or reduction according to their internal regulations for outstanding

debt balance arising before August 1 and repayment obligation to the principal or interest is due between January 23, 2020 and June 30, 2022, and customers are unable to repay such principal and interest on time as per their credit contract because their revenue and income fall due to the pandemic.

According to the SBV, extending the term for debt repayment rescheduling for another six months is based on the Government's vaccination plan and disease control scenario. In the first draft that consulted with SBV units, the Banking Inspection and Supervision Agency evaluated and proposed that changes to debt repayment term, interest and fee exemption and reduction and no change to Debt Category for debt balances arising from January 23, 2020 to June 30, 2022, are appropriate to better support businesses and people affected by the pandemic. Accordingly, customers affected by the COVID-19 pandemic will have an additional period of six months to restore production and business.■



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