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PHU THO

Joining Forces to Improve Investment and Business Environment



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VCCI President Vu Tien Loc and other delegates at the workshop on the impact of the Covid-19 pandemic on business in Vietnam

Enterprises Increasingly Resilient to Covid-19 Pandemic

According to the newly released report on “the impact of the Covid-19 pandemic on business in Vietnam: Key findings from the 2020 business survey” by Vietnam Chamber of Commerce and Industry (VCCI) in collaboration with the World Bank, the Covid-19 pandemic has had a serious impact on businesses in Vietnam, with 87.2% of surveyed firms affected at the large level, with just 11% of enterprises “not affected by anything” and nearly 2% reported a “mostly positive” impact.

ANH MAI

Enterprises operating for less than 3 years suffer the most

Most negatively affected include the enterprises, which have been in operation for less than three years; micro and small-sized enterprises (SMEs), and the enterprises in the Central Coast region. Both domestic private enterprises and foreign direct investment (FDI) enterprises were severely affected. Private enterprises in a number of industries have a high rate of negative impacts, including the ones in the Garment (97%), Information and Communications (96%) and the Manufacturing of Electrical Equipment (94%). FDI enterprises in a number of industries with a high rate of negative effects include Real Estate (100%), Information and Communications (97%), Agriculture/Fishery (95%).

Mr. Dau Anh Tuan, Director of the Legal Department of VCCI, said that the Covid-19 pandemic has made it difficult for businesses to approach customers or employ workers, and has disrupted supply chains and resulted in additional costs for Covid-19 prevention. Many businesses reported being interrupted, stopping working due to the pandemic, even on the verge of bankruptcy due to a sudden decrease in demand. Some said that they had to delay their



investment progress, or even cancel ongoing or future projects.

Due to the effects of the Covid-19 pandemic, up to 65% of the private enterprises and 62% of the FDI enterprises experienced a decrease in revenue in 2020. The average decrease in revenue for private firms was 36%, and for FDI enterprises, 34%. The micro, small, and medium-sized firms had a higher average reduction in revenue than the large firms.

According to Mr. Jacques Morisset, Chief Economist of the World Bank in Vietnam, negatively affected by the pandemic, many businesses proved their high resilience after the ease of social distancing nationwide by the end of April 2020. They have adjusted their business models, especially by accelerating the application of digital technology and responding to the local customers' needs and reinforce their position in the global value chain. To sustain this transition, smart and effective support from the Government will be needed in both the short and long term.

Prioritizing enforcement capacity improvement

Dr. Vu Tien Loc, President of the Vietnam Chamber of Commerce and Industry, said, "2021 remains a tough year for businesses. Authorities at all levels, besides supporting businesses, should develop and implement policies to create more favorable conditions for businesses to survive the post-Covid-19 pandemic, especially on innovation, training high-quality human resources to be ready for new competition. This will be very important to help businesses find new opportunities in the context of the economy and enter the development stage.

Specifically, according to Dr. Loc, the improvement of enforcement capacity should therefore be prioritized. In order to improve the implementation effectiveness, ministries, branches and local authorities need to strengthen the dissemination and propaganda of supporting policies to facilitate enterprises to access the support packages. In particular, it is necessary to have specific, detailed and comprehensive instructions on simple and easy-to-implement procedures for businesses.

Regarding the policies, Dr. Loc said that ministries, branches

and local authorities need to actively figure out problems and shortcomings in the implementation process to recommend timely adjustments and appropriate support for businesses in each industry, sector and each period, particularly the ones in the industries that are severely affected by the Covid-19 pandemic. It is necessary to develop policies to develop industries and supporting services in the direction of less dependence on external sources, reducing the long-standing outwork situation, while also adding value and bringing a better position of Vietnam in global supply chains, creating more opportunities to benefit from the FTAs that require a high content of domestic and intra-regional origin.

In addition, there should be policies to create more favorable conditions for Vietnamese private enterprises to survive and to be able to grow in the post-pandemic period, especially in terms of innovation and training of quality human resources.

In addition, relevant ministries and sectors need to study and propose the Government and the Prime Minister promulgate policy packages to support businesses to recover and expand business investment for the new period of 2021-2025. According to many forecasts, the Covid-19 pandemic will continue to cast a long shadow on the global scale and can only be completely eliminated after 4-5 years, so in the coming time, there should be long-term policies.

Finally, according to Dr. Loc, it is necessary to spread and replicate good models and practices in coping with the Covid-19 pandemic. Ministries, branches, and local governments should be responsive to the challenges through more effective business support policies. Business associations should share the lessons learned from businesses that have already survived the difficult context of the Covid-19 pandemic, particularly the experiences of selecting the market segments, partners, business relations, and investing in the core "internal forces" of the enterprise to increase resilience to shocks. With the discussions, the industries can come together to look back on what has happened and might happen in their industry, and discuss ways to strengthen cooperation and linkages to go forward in the future. ■



Moderating Renewable Energy Capacity Is a Must



The Ministry of Industry and Trade has just sent document 1226 to the Committee on Science, Technology and Environment, the Economic Committee of the National Assembly and the Government Office regarding the proposals of Trung Nam Construction Investment Joint Stock Company about the reduction in power generation.

In the document, the Ministry of Industry and Trade said that over the past time, the development of renewable energy sources, especially solar power, has achieved many positive results, attracting social resources to invest in this sector, contributing to the efficient exploitation of renewable energy sources in Vietnam.

However, the rapid development with a large capacity of renewable energy sources concentrated in some central and southern regions has caused local overloaded transmission grid with an excess of generating capacity compared to load demand in some specific times and circumstances.

In addition, due to the impact of the Covid-19 pandemic, the demand for electricity is low, the electricity system has an excess of generating capacity compared with the load consumed.

"These are dangerous situations, seriously affecting the safety and security of the electricity system because they can cause the frequency of electricity system to increase (even causing problems to spread across the entire national power system) if there are no precise dispatching orders, timely execution and other urgent solutions," said the document of the Ministry of Industry and Trade.

Although the National Load Dispatch Center (A0) has deflated traditional energy sources to the technical limit with minimum configuration, the power system still has redundant capacity, so A0 is obligated to further cut down renewable energy sources to ensure keeping the power system frequency within the permitted technical limits, avoiding the collapse of the power system, causing serious losses to the entire production, economy and people's lives.

The Ministry of Industry and Trade has asked Vietnam Electricity (EVN) and A0 to calculate and announce the reduction of mobilized capacity of power plants in accordance with the structure of generating power sources, the transmission capacity between regions, the necessary level of rotation redundancy at the time of reduced regulation,

complying with the principles of transparent uniformity between types, regardless of the types of power sources whether it must be licensed by EVN or exempted.

At the same time, the Ministry of Industry and Trade issued Decision 478/QĐ-BCT (February 9, 2021) on shifting the peak generation time of small hydropower plants to optimize the mobilization of renewable energy sources in the power system.

According to the Ministry of Industry and Trade, in addition to Trung Nam Construction Investment Joint Stock Company and its member units, the Ministry of Industry and Trade has also received recommendations to prioritize the mobilization of other power resources by many other investors such as Thien Tan Solar Ninh Thuan Joint Stock Company, Cong Ly Construction-Trading-Tourism Co., Ltd. and a number of People's Committees of provinces with renewable energy projects such as Ninh Thuan and Tra Vinh Provincial People's Committees.

Pursuant to the current law provisions, the report of EVN in Document 386/EVN-TTĐ on reporting and clarifying proposals of investors on capacity reduction in solar and wind power plants, the Ministry of Industry and Trade has issued Document 853/BCT-DTĐL dated February 9, 2021 to the People's Committee of Tra Vinh province, the People's Committee of Ninh Thuan province and the Electricity Regulatory Authority of Vietnam - Ministry of Industry and Trade has sent written document 102/DTVI-HTĐ to Trung Nam Thuan Nam Solar Co., Ltd., Trung Nam Solar Power Joint Stock Company, Trung Nam Wind Power Joint Stock Company on the mobilization and moderation of renewable energy plants.

Therefore, the Ministry of Industry and Trade said that the reduction of renewable energy plants is a mandatory situation in the context of the national power system oversupply and partially overloaded power grid to ensure the security and safety of the system. The reduction is calculated by EVN/A0, publicly, transparently and equally for all factories, regardless of the investors. ■

Vietnam Continues to Be Favored Destination for Int'l Retail Brands

First launched at Vincom Dong Khoi in Ho Chi Minh City in 2016, Zara has now gained success, paving the way for many other international fashion, food and entertainment brands to enter the Vietnam market, such as H&M, Decathlon, Uniqlo, and Haidilao Hot Pot.

"All-in-one" shopping

After the success of Zara, in 2017, the Vietnamese retail market became exciting when H&M opened its first store in Ho Chi Minh City. H&M's move proved the potential of the Vietnamese market, creating a massive launch of a series of international brands in the coming years. In 2019, Decathlon - a French sports brand, opened its first store in Hanoi and Watsons - an Asian cosmetic retail chain, started its first store in Ho Chi Minh City.

Most impressive is the expansion wave of major brands in 2020. This "upstream" move proved the attractiveness and prospect of the Vietnamese retail market even during the pandemic. Uniqlo is the most prominent brand, confidently making a big hit with five more stores in Hanoi and Ho Chi Minh City within seven months during the pandemic. MUJI - a Japanese brand, also set its first footprint in Vietnam with a store in Ho Chi Minh City. Fila sports fashion brand opened two consecutive stores in Hanoi at Vincom Center Pham Ngoc Thach and Vincom Mega Mall Ocean Park. In the culinary segment that was most affected by the pandemic, Chinese hot pot brand Haidilao Hot Pot also entered the Hanoi market, opening three consecutive stores in the year, all located in major shopping centers.

Thus, in less than five years, Vietnamese consumers have found the most favorite international brands of fast fashion, accessories and cosmetics right at home. The influx of foreign fashion brands in big cities has contributed to creating the habit of shopping directly at shopping centers to meet all service needs of customers.

What are the commonalities among international brands in Vietnam?

As can be seen, most international brands choose the premises of the shopping centers as the foundation for development in Vietnam, because they can quickly reach out to a large number of shoppers thanks to the prime location and other add-on services. Savills Vietnam also predicts that the commercial center will be a new future for retail, especially after the impact of the Covid-19 pandemic, because it provides a stable number of customers and ensures the safety, health, and peace of mind for shoppers.

The shopping center space more clearly shows the advantages in the provincial market. Many brands that approach emerging markets such as Hai Phong, Quang Ninh, Da Nang, Nha

Trang, Can Tho and Binh Duong also choose to place stores in shopping centers. In January 2021, H&M simultaneously opened two stores at Vincom Hung Vuong, Can Tho and Vincom Ha Long, Quang Ninh. The presence of H&M has attracted fashion followers locally and in the vicinity. In previous years, many international brands soon appeared in the provincial market such as: Mango and H: Connect. Other sports brands that were familiar with Vietnamese customers such as Adidas, Nike and Levi's also found a foothold with chain stores in shopping centers in Ca Mau, Binh Duong and Nha Trang.

On the path of expansion and development of international brands in Vietnam, the companion of Vietnam's largest shopping mall system is also recognized as a "gold credit". Thanks to its prime locations and reputation across the country, Vincom is always the first choice for international partners. With nearly 1.7 million square meters of retail space and 80 shopping centers across 43 cities and provinces, Vincom Retail is currently the largest owner, developer and operator of shopping centers in Vietnam. It is expected that in 2021, Vincom Retail will continue to open major shopping centers such as Vincom Mega Mall Smart City that bring the experience of LED waterfall displays of unique indoor lighting and Vincom Plaza in My Tho and Bac Lieu that meet the rising demand of domestic and international retail brands.

As one of the 16 most attractive emerging economies in the world, among the highest economic growth groups in the world in 2020, Vietnam will continue to be an attractive destination for international retail brands and services. With good quality and continuously expanding retail infrastructure, domestic consumers will benefit from a diversified source of high-quality goods and catch up with world trends. ■



UNIQLO store at Vincom Pham Ngoc Thach, Hanoi

Explaining Real Estate Price Hike

Recently, real estate prices have increased in the apartment segment and for land, throughout provinces and cities across the country. The Ministry of Construction gives a series of reasons for this phenomenon.

According to the report by the Ministry of Construction, real estate prices witnessed an increase in 2020 and in the first two months of 2021. In which, there were areas and projects with prices increasing by over 10% compared to the beginning of 2020.

According to the representative of the Housing and Real Estate Market Management Agency (under Ministry of Construction), the phenomena of real estate price increases in localities have many different reasons, for example, when the population increases, the economy is growing, and in the process of industrialization and urbanization, the supply is not sufficient, leading to a gap in supply and demand; investment capital flows are shifted to ensure safety when other investment channels encounter difficulties during the pandemic; and real estate speculators take advantage of factors such as preparing urban planning, preparing to build infrastructure works, and urban expansion, causing information confusion to increase prices in order to gain illicit profits.

In particular, the increase in the market price of raw materials, fuel, and the input cost of real estate projects are also the reasons for the increase in the cost of real estate products.

According to the Housing and Real Estate Market Management Agency, for a real estate project, the cost of land is one of the important input costs affecting the output cost of the project.

However, the structure and proportion of land costs in real estate prices are very different for each project: on average, in urban areas, land use fees account for about 10% of the cost of an apartment; about 20-30% of the cost of low-rise row houses; about 50% of the villa cost (in suburban and rural areas with very cheap land prices, this



rate is lower; in urban centers with very high land prices, land use fee is the main cost in the price).

The Government issued Decree 96 in 2019 on the land price bracket which is used as a basis for provincial-level People's Committees to set and adjust local land price tables. Accordingly, the land price issued by localities has an average increase of about 15-20% compared to the land price list for the period of five years ago.

"Thus, in case the land cost of a real estate project is directly based on the land price in the issued price list, the increase of land price by about 15-20% of localities will only increase the cost of housing real estate about 1.5-5%," said the representative of the Housing and Real Estate Market Management Agency.

The Agency said that the application of new land price brackets and lists in localities was not long (as early as January 1, 2020); projects completed and having products offered to the market in 2020 were mainly implemented projects with land prices applied according to the previous price brackets and land price lists.

Therefore, the issuance of new land price lists by localities with prices higher than previous ones is not the main cause leading to the increase in housing and residential land prices of local projects in 2020 and in recent time. However, the increase in land prices will also have some impact on real estate prices in the coming time, especially the prices of houses in existing areas. ■

TP

Mastering Technology to Completely Solve Stock Trading System Congestion

Ms. Pham Minh Huong, President of VNDirect Securities Corporation, said she supported the plan proposed by FPT President Truong Gia Binh: Based on the HNX trading system to build for HOSE. The Ministry of Finance assigned this plan to its subordinate units for study and to the Stock Exchanges to actively work with FPT Corporation to resolve stock trading congestion, provided that this process cannot disrupt the market and affect investors. The outcome will be soon reported to the Prime Minister.

Mastering cutting-edge technology with domestic specialists

"I hope that FPT will represent and join the forces of software experts and developers nationwide. This is already a national security issue," she said.

It is best to work together to fix this thing and master technology by Vietnamese people rather than blame each other for congestion causes. "The size of the stock market is nearly that of the country's GDP. In recent years, Vietnam's stock market has been linked to the national image in the thoughts of international investors. So, technology is no longer strictly a story of the securities sector. The size and sensitivity of the securities industry make technology a worthwhile point of discussion at the national level," Ms. Huong said.

From her experience, the Board President of VNDirect said that the most difficult aspect of the KRX Project is that it can have a very good solution but it is for solving what happens in foreign markets while international experts will have to do a lot and take a lot of time to get it adapted to Vietnamese market conditions. We need solutions consistent with the legal background, management conditions,

market structure and product structure of Vietnam.

Huong believed that FPT can stand up to bring together synergized technology forces, work with management and expertise of the State Securities Commission, HOSE, HNX and VSD and combine with best experts working with the Vietnamese stock market in the past 21 years who can put forth what needs to be done with the Vietnamese market using Vietnamese technology if they are summoned by the Government. The new structure will certainly fit the current legal status, market structure and other factors of Vietnam.

KRX Project is an information technology infrastructure package for the stock market invested by HOSE, shared with two other beneficiaries - HNX and VSD. It is expected, once put into operation, to change the entire information technology infrastructure of Vietnam's stock market. In 2012, the Hochiminh Stock Exchange (HOSE) and the Korea Stock Exchange (KRX) signed a cooperation agreement on the deployment of Package 04, but it has not been put into operation yet. After nearly 10 years, although the KRX Project has helped Vietnamese people gain international experience, the

Prime Minister Okays 2-Year Mobile Money Pilot

The Prime Minister recently ratified a pilot deployment of mobile money - a technology that allows people to spend money on small-value goods and services using a mobile phone. The experiment will be effective for two years from the date the first companies get the pilot permit.

Businesses licensed to provide intermediary payment services and to establish ground public telecommunication networks using radio frequency bands shall be qualified to join the pilot scheme.

To use mobile money services, an individual must have an identity or passport number linked to his registered mobile phone and identified by pilot enterprises. Mobile phone users must have their phones activated for at least three months before registering to use the mobile money services. Each customer is allowed to open only one mobile money account at one pilot business.

The pilot is applied nationwide, with priority given to areas in rural, remote, border and island areas of Vietnam. Mobile money services are only applicable for domestic transactions and not for cross-border services.

Thu Ha

Collective and Cooperative Economy Development Strategy Approved

The Prime Minister recently adopted the Collective and Cooperative Economy Development Strategy in 2021 - 2030.

The strategy aims to encourage the development of the collective economy in all industries and regions of the country, to prioritize the development of cooperative models aligned with value chains, main national and local products and the One Commune One Product (OCOP) program.

Accordingly, by 2030, the country will strive to have about 140,000 cooperative divisions, with two million members; 45,000 cooperatives with 8 million members; and 340 cooperative alliances with 1,700 member cooperatives. Well-performing cooperatives will account for 60-70% of total cooperatives nationwide. To step up high-tech application in the agricultural sector, by 2030, Vietnam will have over 5,000 cooperatives and 500 cooperative alliances applying high technology to agricultural production and consumption; apply traceability for agricultural goods; and strengthen connectivity along value chains between businesses and cooperatives to make about 50% of agricultural cooperatives linked to value chains.

Ha Linh



question is whether a technology transfer solution signed in 2012 is still feasible with the current requirements as well as the future growth of the Vietnamese stock market.

"I just hope we do not look at the past with rising worries and fear its impact on future development. Actually, we need to look at what is happening to choose what is best for the sustainable development of the Vietnamese equity market," said Ms. Huong.

By mastering the technology, Vietnamese specialists have been capable of continuously improving and perfecting the system to promptly respond to changing market requirements. And, not only for VNDirect, but technology solutions also created by the Vietnamese are being used by most Vietnamese securities companies. "We believe that Vietnamese experts, if given a good offer, will be able to develop a technology solution not being inferior to that made by internationals," she added.

Opportunity cost is necessary

Despite being slow, KRX is still a historical project as we gain experience with the administration and operations of a foreign securities trading system. The technology challenge is not a technical matter that requires international experience, but an operation level, management and control consistent with market requirements and our needs to master the technology for quick response to future changes.

Huong said that all decisions we made were grouped, taken into consideration of historical context and our needs at that time. For example, in 2000, Vietnam was helped by the Thai stock market, which offered us from a trading board to a technology solution to open the stock market because no Vietnamese had stock trading experience at that time.

In 2012, the securities industry chose the South Korean solution (KRX), which was very appropriate and necessary at that time because Vietnamese people could not build a system capable of connecting all on one platform. When the project was decided and deployed by the Government, problems emerged and it got slowed down. Although it was slow, KRX has helped us learn how to build and operate a system. By working with international experts, the Vietnamese could confidently design the trading system for HNX. Indeed, the current HNX system can operate very stably and handle a

trading load dozens of times more than what the HOSE system is doing.

For me, KRX is an opportunity cost and if we have to stop KRX to choose an HNX solution as an alternative or devise a new solution by the Vietnamese, that opportunity cost is worth it. I just hope we do not look at the past with rising worries and fear its impact on future development. Actually, we need to look at what is happening to choose what is best for the sustainable development of the Vietnamese equity market. I believe that there are many knowledgeable people who agree with my point of view," Huong said.

A good offer helps solve trading order congestion

Huong said, in 2006, VNDirect decided to opt for a technology mastering strategy and employed a Vietnamese company to get it done. Many securities companies abandoned foreign solutions and chose the technology solution as we did.

In 2006, we embarked on building VNDirect Securities Company without very much worry because the Vietnamese market was very small then. VNDirect had no available technology solution choice and we thus decided to build it by ourselves. VNDirect's team, including some former FPT employees who built the Smartbank technology platform, worked hard together to build the technology core for the securities company.

"In the short term, the best solution is moving some listings to HNX for trading," Ms. Huong added. It takes a long time, even months or longer, for the KRX Project to build a temporary board for trading or build a new technology system for the Vietnamese stock market. For that reason, VNDirect President supported this option and took the lead in moving the listing from HOSE to HNX. She hoped that many businesses will also act for the best interests of shareholders and investors.

"When the system is congested, the biggest losers are shareholders and investors because they cannot buy or sell stocks. If the Board of Directors of large listed companies also see to this and move their stock listings to HNX, I believe that their shareholders will support them because this temporary solution will protect shareholders on the one hand and keep the system safe for Vietnam's stock market on the other, while waiting for medium and long-term solutions," Ms. Huong concluded. ■



Agtex 28 is one of the outstanding state-owned enterprises

SOEs to Be Restructured to Become “Pillars

The draft project on State-owned enterprise (SOE) restructuring, with a focus placed on SOEs in 2021-2025, was recently completed and submitted by the Ministry of Finance to the Government.

The draft rule emphasizes that: In 2021-2025, it is necessary to further improve, supplement and accelerate the construction and enforcement of restructuring schemes to further boost the operational performance of SOEs. According to the Ministry of Finance, despite many efforts for SOE restructuring in 2016-2020, expected restructuring outcomes were not reached.

Restructuring fails to catch up with the plan

Assessing SOE restructuring in the 2016-2020 period, the Ministry of Finance said: There have been a lot of policy changes in the past five years. Specifically, the legal system for SOE restructuring has been fully enacted to ensure closeness, publicity and transparency, and maximize State interests. In particular, difficulties have been removed in order to speed up SOE equitization and divestment as well as prevent the loss of State capital and assets.

In the past five years, only 39 SOEs have been equitized as planned, while 89 businesses have not completed this process.

The report also stated that, according to the approved plan, the total expected value of selling State shares to investors is VND104,726 billion, equivalent to 48% of the total value of State equity in equitized enterprises during this period. Proceeds were only VND22,748 billion, equal to 23% of the

plan, 11% of the value of State capital in these SOEs. However, proceeds collected from equitization by the Business Restructuring and Development Support Fund were VND36,518 billion, 1.6 times higher than the offering price.

Also according to the plan for the 2016-2020 period, the State divested from 348 enterprises with a total book value of VND60,000 billion. But in the past five years, it divested from only 106 SOEs, or 30% of the plan. Proceeds from this valued VND6,493 billion, equal to 11% of the plan.

Enhancing the performance of leading businesses

The draft SOE restructuring project for 2021-2025 clearly points out that SOEs must improve their performance to reach modern manufacturing technology and techniques on par with those in other countries in the region.

Fully meeting international standards on corporate governance and aligning the SOE development strategy with sector and regional development strategies, SOEs will thus become the core force of socio-economic development and lead other economic sectors to move forward together.

Restructuring measures must bring SOEs toward international practices as well as Party and State policies, especially in important and essential sectors and fields of the economy. Enhanced supervision and inspection into SOEs is needed to improve SOE operations, and promptly detect and strictly handle corruption cases that lead to loss of State property.

The draft scheme highlights continued actions and more drastic efforts to speed up delayed projects, handle ineffective investments, and deal with prolonged losses of SOEs on the basis of publicity and transparency in consistency with market principles and laws.



and Leaders”

The draft sets out the goals to be achieved. Firstly, it is important to complete a policy system for SOE restructuring; and completely handle loss-making and ineffective projects in 2011-2020 by clearly defining the accountability and responsibility of persons to prolonged loss of SOEs and loss of State assets. There is a need to work out plans and roadmaps for effective settlement of this reality in a quick manner, and to prevent corruption and bad deeds during this process.

The scheme also includes speeding up SOE restructuring to basically complete this process by 2025. After public and transparent equitization and divestment, SOEs will then adopt a new representation model proven to bring the best outcome for enterprises.

The scheme advocates further decentralizing and authorizing board members; enhancing inspection, supervision and audit of loss-making companies or those with unprofitable, slow-moving or ineffective projects.

In addition, it is necessary to review the entire land fund that is being managed and used to make property and land rearrangement plans in accordance with the law; focus on resolving all financial problems before valuation agencies determine the value of SOEs to be equitized. Equitized enterprises must strictly comply with regulations on public trading or listing on the stock market.

In the long term, they need to clearly define their business lines and orientations to better anticipate any change in supply and production chains in the region and the world, and apply international standards to corporate governance.

In 2021-2025, information publicity and transparency concerning SOEs will be enhanced for all stakeholders to monitor them in an easy manner. It is also important to raise the responsibility of leaders of State bodies and executives of SOEs with respect to the ratification of corporate restructuring plans, and exercising supervision over the implementation of approved plans. ■

“

Besides issuing the “SOE restructuring scheme, with a focus on corporations in 2021-2025”, in the first quarter of 2021, the Prime Minister will issue “classification criteria applied to State-invested enterprises planned for equitization and restructuring in 2021-2025.”

Accordingly, the classification will be based on industry and field engaged by State-invested enterprises planned for equitization and restructuring in 2021-2025. There will be three categories.

Category I includes enterprises active in industries and fields where the State needs to hold 100% stake, including 12 industries and sectors, mainly related to security and defense, natural monopoly, social security and public interest.

Category II consists of equitized and reshuffled enterprises where the State holds 65% or more of the total shares, engaged in eight industries and sectors that relate to important infrastructure that promotes the nation’s social and economic development or balances the economy.

Category III is comprised of reorganized and equitized enterprises where the State holds from more than 50% to less than 65% of interests, including seven industries and sectors that are important to the country’s social and economic development, such as the making of basic chemicals, telecommunications services with network infrastructure, cigarette and petroleum.

”

Empowering Women in Corporate Governance

Impacted by the Covid-19 pandemic, economic recovery and sustainable development have become increasingly urgent requirements for businesses. Many studies show that promoting equality values, providing employment opportunities and career development for both genders, and empowering women's roles in leadership enable strengthening the team, building an ideal workplace, and nurturing core cultural values and employee cohesion. This is the foundation for a business to steadily overcome the crisis and make a breakthrough.



Mr. Nguyen Quang Vinh, VCCI General Secretary and VBCSD Executive Vice President, addresses the workshop

In that context, the Vietnam Business Coalition for Women's Empowerment (VBCWE) cooperated with the Vietnam Business Council for Sustainable Development (VBCSD) under the Vietnam Chamber of Commerce and Industry (VCCI) to organize the workshop "Lead the Change in the New Normal" to connect the voices of stakeholders, from businesses to domestic and

international organizations, and representatives of the Vietnamese business community, to discuss solutions on sustainable development together in the changing period from the perspective of gender equality in the workplace.

VBCWE is funded by the Australian Government's Investing in Women initiative, assisting Vietnam to increase gender equality in the workplace and increase women's economic empowerment. Australian Deputy Ambassador to Vietnam, Andrew Barnes, said that companies with diverse leadership teams and strong commitments to achieving gender equality in the workplace must demonstrate better adaptability to innovation, thereby becoming more productive and more profitable.

Mr. Andrew Barnes expressed his delight that the Gender Equality Assessment, Results and Strategies (GEARS) tool for gender equality in the workplace will be widely introduced. GEARS is developed by the Workplace Gender Equality Agency (WGEA) of the Australian Government and adapted to practices in Vietnam by VBCWE. GEARS helps businesses understand problems, opportunities and strengths of workplace gender equality strategy, thus helping improve business results.

VBCWE and VBCSD also signed a cooperation agreement affirming their commitment to support and develop a partnership for the purpose of promoting gender equality and increasing women's economic rights in the business community in Vietnam. Mr. Nguyen Quang Vinh, VCCI General Secretary and VBCSD Executive Vice



VIETNAM BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (VBCSD)

Sustainable Business,
Prosperous Societies

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President, said, VBCSD-VBCWE cooperation initiatives demonstrate their strategic vision for inspiring the business community to enhance their resilience and competitiveness for better integration through gender equality.

“To lead the change in the new normal, businesses need to think differently, do differently and need a new mindset for old matters. Gender equality is not only Goal 5 of the 17 Sustainable Development Goals of the United Nations but also needs to be recognized by businesses as one of levers for long-term business growth, especially in the context of Vietnam where the share of women in the labor market is remarkably high,” he said.

Mr. Pham Hoang Hai, Head of Partnership Group at VBCSD Secretariat, said that essential factors that help businesses recover their economy and sustain development in the new normal are integrated in the Corporate Sustainability Index (CSI) as a support tool for improving the effectiveness of corporate governance. He emphasized that, with the cooperation and companionship of VBCWE, CSI 2021 will have many changes in Labor-Social indicators, which focus on promoting gender equality and increasing women’s rights and roles at work. ■

Economic Dividends for Gender Equality (EDGE) was awarded to nine companies in Vietnam, including Deloitte Vietnam, SASCO and Alphanam which stood among Top 50 certified EDGE MOVE in the world - the second level on three levels of the EDGE certification, demonstrating their strong commitments and serious efforts for promoting gender equality in the workplace toward sustainability goals.

Market Economy Development and Institutional Improvement

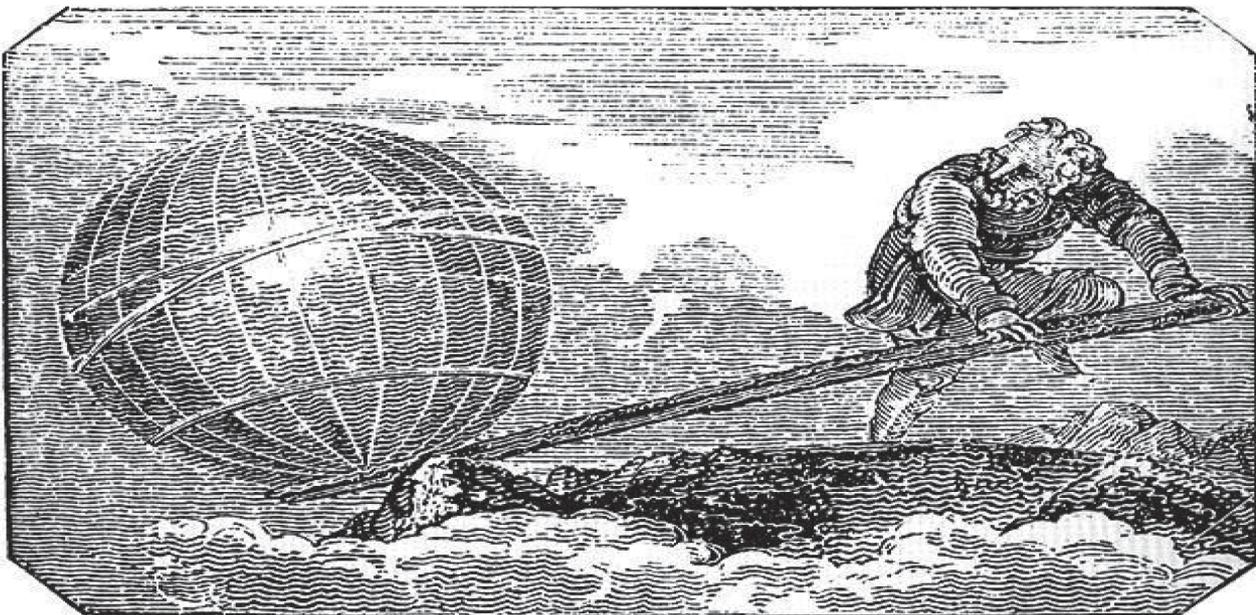
Vietnam stepped into 2021 - the first year of the socio-economic development plan from 2021 to 2025 - with a fairly robust economic picture: Stabilized macro-economic performance, well-controlled inflation, stable growth and enhanced economic potential, scale and competitiveness. However, besides inspirational achievements, institutional improvement, growth pattern change, economic restructuring, industrialization and modernization slowed down and failed to make fundamental changes. Economic productivity, quality, performance and competitiveness was not high. The income level stayed in the lower middle range.

THAI CONG

In its vision to the year 2045 - the centennial founding anniversary of the Democratic Republic of Vietnam, the present-day Socialist Republic of Vietnam - the country set an enormous challenge for itself: To become a developed, high-income country. So, is this our impossible task when we have to lift the earth? If possible, is it like what Archimedes - the greatest mathematician of ancient times and one of the greatest mathematicians of all time - famously said, "Give me a lever and a place to stand on, and I will move the earth"?

market economy for higher development as well as make ambitious plans to discover the second earth.

Vietnam's economic reforms, initiated in the late 1980s, saw the first formation of market economy policy and its power in agricultural reform - the most important aspect of Vietnamese economy - through contract farming. Inspired by the "contract farming" philosophy devised by Mr. Kim Ngoc, Secretary of the Provincial Party Committee of Vinh Phuc province, and grounded by the contract farming resolution adopted by Mr. Doan Duy Thanh, Hai Phong Secretary of the Party Committee, Directive 100 (January 1981) of the



The market economy is the most important invention of humanity in the history of socio-economic development. Its immortal mechanism is based on the constant development dynamism of human beings - "infinite greed" (what man wants is limitless) or as the Western World uses the concept of "non-satiation". That also explains why some countries use the

Secretariat of the Party and Resolution 10 on Contract Farming April 1988) of the Politburo (6th tenure) were created. The productive capacity, released at that time, turned an economy with over 700% inflation, poverty and food shortage into a country that supplied enough food for itself and had some for export. This miracle was described by historians as "...a dream in the daytime".

Inheriting and being deeply aware of reform experiences and achievements, the Document of the 13th National Party Congress affirmed the breakthrough policy and the fulcrum for the 2045 Vision: “Completing the consistent development institutions, with the first of all being development institutions for the market economy.” In the market mechanism, price acts as a resource-relocating signal. The law of supply and demand based on the “limitless greed” dynamics of buyers and sellers in the marketplace ensures the efficient allocation of resources because each economic entity is itself a common information processor for fair cooperation and competition. In a centrally planned economy, by contrast, planners (various government agencies) subjectively allocated and subsidized resources. As a result, the misallocation of resources and elimination of drivers at a macro level led to imbalances among sectors and localities. Therefore, highly developed countries have developed market economies. Even for China, to become the second largest economy in the world, it had to reform its economic mechanism from central planning to market.

However, the market economy itself is not a magic wand for optimal socio-economic development if there is only natural and loose interaction among economic actors - namely the Government, business entities and consumers. “Limitless greed” motivation of officials, businesses and people, without appropriate regulation, will lead to unfair competition, trade fraud, redundancy crisis, default, mafia-like group interests, income disparity and environmental destruction. That resulted in market distortion, loss of motivation, and the loss of synergized motivations that leverage the market.

According to economists, in the context of Vietnam's economic integration and development, an institution needs to be built in a market economy for all three economic actors to work rhythmically, synchronously and effectively:

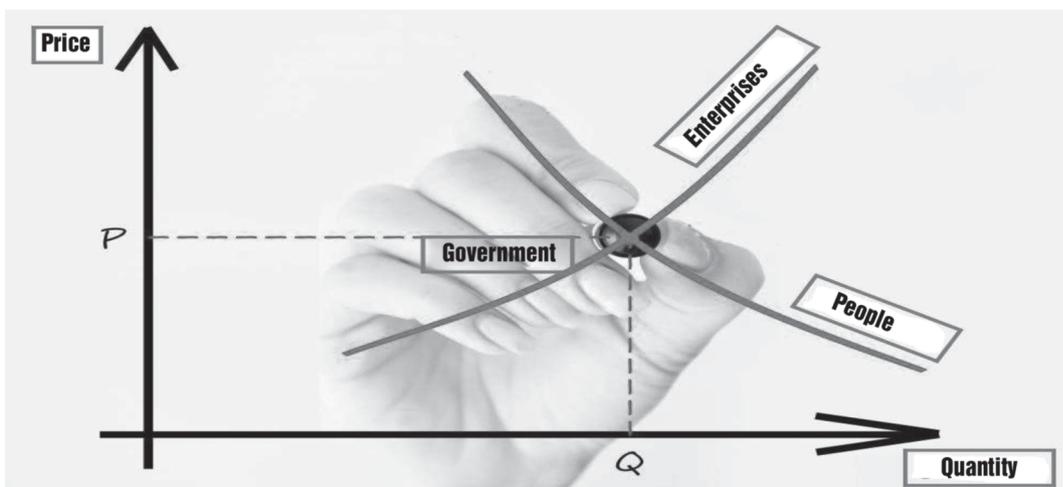
1. The Government must thoroughly understand that the market economy is the most important mechanism to arouse and promote the core driving force of people and the whole society in a positive manner for socio-economic development. Therefore, it is necessary to work closely with the other two actors to build and complete the institution to make sure that the market works effectively to provide suitably hard and soft infrastructure, promote equity and growth, employment, macroeconomic stability policy and national security. In particular, in addition to ensuring their life, it is necessary to uphold the discipline and morality of civil servants, according to President Ho Chi Minh's theory of official work: Officials must be "public servants" of the people. Only by doing so, can the greed for civil servants become an ambition and aspiration for the country.

2. Vietnamese enterprises must actively improve working

skills of domestic and foreign market economies when the Government has adopted stimulus measures through commitments to multilateral FTA enforcement, particularly to partners in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EU - Vietnam Free Trade Agreement (EVFTA), the ASEAN Agreement on Trade in Goods (ATG), and Regional Comprehensive Economic Partnership (RCEP) which are highly developed market economies.

3. Agencies representative of the people and consumers such as the National Assembly, the People's Council, the Mass Association and consumers should uphold the responsibility of representation in the legislature and policymaking to protect consumers as well as democratic equality for the other two actors. Promotion agencies, industry associations, the Vietnam Chamber of Commerce and Industry (VCCI) and exporters need to boldly give up their old thinking of working well within their well-established realm, as well as their excessive reliance on foreign organizations and FDI enterprises to actively expand and establish research and development agencies in important partner markets with which Vietnam signed bilateral and multilateral economic cooperations, so as to develop a sustainable overseas economy in the global value chain.

4. Developing a democratic, equal and harmonious mechanism for dialogue and cooperation (determining the balance of interests) for all three economic actors to actively participate in very important markets for industrial production, trade, investment and finance, labor and land to ensure the core capacity of the Vietnamese economy in building and protecting the country in the Industry 4.0 competition and regional geopolitical challenges



Realizing the 2045 Vision is an opportunity and a great challenge as well for the nation. In the course of economic development and integration, this task is only feasible when we develop a high level of the market economy together with institutional improvement for three economic actors to advance active, positive and equal engagement. With three pillars in such a solid institution, we believe that the market economy will create an unrivaled lever to drive the dynamic synergy of economic actors to develop very important markets and lead the country to where we want it to be when we celebrate its first centennial anniversary. ■



Prime Minister Nguyen Xuan Phuc chairs the meeting of the National e-Government Committee

Vietnam to Have Digital Government by 2025

E-Government targets are expected to be basically completed in 2021, with public services of Category 4 brought online, and the digital government will be formed by 2025.

THU HA

Fundamental transformation

At the recent meeting of the National Committee on E-Government, briefing on outstanding results, Prime Minister Nguyen Xuan Phuc, Chairman of the Committee, affirmed that the National Committee on E-Government was given more power to lead digital transformation, digital economy, and smart cities. The legal environment for e-Government development has basically been fully formed.

In addition, digital transformation has achieved initial optimistic outcomes. To date, over 50% of ministries, branches and localities have built and launched digital transformation programs, schemes and plans. Many Vietnamese tech companies have mastered core technologies and developed technology platforms for digital transformation. Fostering digital application and digital transformation for businesses has initially come to fruition. The Ministry of Information and Communications has launched the Digital Transformation Support for SMEs Portal (attracting 400 business users, supporting nearly 200 businesses using digital platforms for digital transformation).

The above results have helped Vietnam climb in the e-Government rankings. According to the United Nations Report on e-Government in 2020, Vietnam ranked No. 86 out of 193 countries and territories, three places higher than in 2018.

Regarding the roadmap for building a digital government, Minister Nguyen Manh Hung said that, in the first quarter or early second quarter, the e-Government strategy toward digital

Government will be approved. E-Government targets will be basically completed in 2021, with a focus on bringing online 100% of Category 4 public services. Vietnam's digital government will be formed by 2025, lifting up Vietnam's e-government rankings to No. 50 in the world. Government services are to be provided automatically around the clock, on-demand and personalized. New public services are developed in a timely manner, based on open data and engaged by governments, citizens, businesses and experts. And, then the next step is becoming a smart government.

The transition from e-government to digital government is a fundamental transformation, he added. Online public services become digital services. The concept of an information technology system is replaced by a digital platform where the service-based approach is upgraded to a data-driven approach, and web and PC technology will become Mobile, Clouding, AI and IoT technology. The participation is scaled up from governmental agencies to government, people and enterprises. "The challenge of e-government is integration and the challenge of digital government is the management of changes," said Minister Hung.

Many bottlenecks need to be removed

With these impressive results, e-Government has been a prominent highlight of this administration, but, according to many experts, in order to form a digital government by 2025,

New Form of Health Insurance Card to Be Launched from April 1



From April 1, 2021, the new form of health insurance card will be used nationwide according to Decision 1666/QĐ-BHXH of Vietnam Social Security on the issuance of the form of health insurance card. Currently, Vietnam Social Security is actively preparing and ensuring the timely printing and issuance of the new form of health insurance cards according to regulations in order to create the most favorable conditions for the people; avoiding congestion in looking up information of health insurance card for health care facilities covered by health insurance, ensuring the benefits of health insurance policyholders.

The new form of health insurance card has changed in the direction of bringing more benefits to the participants,

especially in the process of applying for the card, preserving and using the card to perform medical examination and treatment under health insurance. This will ensure the best benefits of health insurance for participants in accordance with the law. Specifically, some highlights of new benefits are as follows: The new form of health insurance card has a compact size like a citizen's identity card and some ATM cards, laminated after printing, convenient to preserve and use. The card number includes only 10 digits, instead of 15 characters as the current health insurance card. This helps to reduce the number of characters the participants need to declare when signing in on the Vietnam Social Security Portal (at the address <http://baohiemxahoi.gov.vn>) or declaring during the procedure of applying for continuing to participate in health insurance; re-issuing and change of cards; or checking the cost of medical examination and treatment covered by health insurance on the Public Service Portal of Vietnam Social Security (at the address

<https://dichvucong.baohiemxahoi.gov.vn>). The back of the new health insurance card has specific instructions on how to use the card, helping policyholders clearly understand how to look up information about the card and their entitlements; how to contact the social insurance agency for guidance and answers to difficulties, problems.

During the implementation of the new card, the new form of health insurance card will be used in parallel with other forms of health insurance cards specified in Decision 1313/QĐ-BHXH dated December 2, 2014 on the issuance of the form of health insurance card, Decision 1500/QĐ-BHXH dated December 14, 2015 on the issuance of health insurance cards to soldiers, people's police, and cipher workers, and they all have equal values for medical care under health insurance. ■

there are still many problems that need to be solved.

Mr. Truong Gia Binh, Chairman of the Board of Directors of FPT Corporation, said the finance for IT is really a matter of concern. Localities and enterprises must determine how much they can spend on IT in order to allocate and use it appropriately.

In addition, the safety and security of many places have lacked adequate attention. The budget is limited (much lower than the 10% stated in Directive 14/CTTTg on June 7, 2019 of the Prime Minister on enhancing cybersecurity to lift up Vietnam's rankings).

In addition, although the technical system for connecting and sharing data has been formed, many government agencies are not yet determined or willing to share and open data and mine data provided by governmental agencies. In this regard, Mr. Nguyen The Trung, General Director of DTT Technology Company, member of the Working Group of the National Committee on E-Government, proposed engaging all stakeholders and creating economic values. The Government needs to bring Vietnam's Open Data on international ratings to an appropriate level (e.g. Top 3 in Southeast Asia and Top 50 in the world). Given well-

established institutional and data gateway conditions, the Ministry of Information and Communications needs to have a specific plan to build open data (not just gateways) in governmental agencies and soon launch open data licenses of Vietnam.

In addition, MIC needs to support established initiatives such as Health Disclosure, Statistical Disclosure, Budget Disclosure, iGiao Duc and VMAP, to turn these initiatives into open data-based platforms for the society to participate and cooperate more (as in recent epidemic prevention) and create economic values (e.g. improving productivity and performance of governmental agencies) and creating new business opportunities.

Besides, there are challenges in human resources, information security and people's habits.

Remark on upcoming tasks, the Ministry of Information and Communications already set six national key tasks: Completing the legal environment; Developing national digital infrastructure; Developing national digital platforms; Developing national data; Developing national applications; and Ensuring national network safety and security. ■

PM Orders Consideration of Resuming Int'l Flights, "Vaccine Passport"



At the recent online meeting of the Standing Government with the National Steering Committee and localities, Prime Minister Nguyen Xuan Phuc ordered relevant agencies to map out plans for "Covid-19 vaccine passport" implementation to soon help tourism and aviation sectors recover.

The pandemic is declining and immunization has been deployed on a large scale in many countries and also is being deployed urgently in Vietnam according to the roadmap. However, new and more dangerous virus strains have appeared, so the risk of disease is always constant, without exception of any province, unit or citizen.

The Prime Minister emphasized that if we ignore and are subjective, the pandemic could break out at any time. At the same time, we are determined to continue to successfully implement the dual goals: effectively preventing and combating the pandemic, protecting the health of the people, while bringing life back to normal for economic development in normal conditions.

The Prime Minister asked the ministries, branches and localities to continue to boost socio-economic activities and ensure social security. The second social security package for

affected businesses and people continues to be set out in the coming period.

Besides, relevant agencies are requested to synchronously and effectively implement suitable solutions on fiscal, monetary, trade and investment in the coming time to restore and develop production and business, and support people and businesses.

"We understand that some people, some businesses, especially in transportation, services, and tourism face many difficulties. We need to actively implement additional support measures, issue appropriate policies, and restore affected industries, especially tourism and aviation," the Prime Minister said.

For localities, the Prime Minister asked to actively

develop anti-pandemic plans, stay ready to respond to all possible pandemic situations in localities.

The Ministry of Health is requested to urgently organize good implementation of Covid-19 vaccination to ensure safety for everybody, toward the implementation of universal immunization, consider accessing different vaccine sources and continue to research and develop vaccines in the country to soon put into use, no later than 2022.

The Ministry of Health shall coordinate with relevant ministries and branches in consideration of the appropriate anti-pandemic measures when applying "vaccine passport".

The Ministry of National Defense shall direct the Border Guards to intensify patrols, supervision and strictly control border lines, border gates and seaports, preventing illegal entry, especially at trails and openings of the border areas. The Ministry is requested to coordinate with functional agencies to strictly handle cases of intentional illegal entry, maintaining strict observance of regulations while performing duties.

The Ministry of Public Security is requested to coordinate with local authorities in strictly managing residential areas. Press agencies provide timely and accurate information on the pandemic situation to warn people not to be subjective and neglect the Covid-19 prevention.

The Prime Minister also ordered the relevant ministries and branches to review and study step by step reopen international routes, well prepare plans to apply the "vaccine passport" and the controlled trade. ■

TECHNOLOGY-RELATED SKILLS

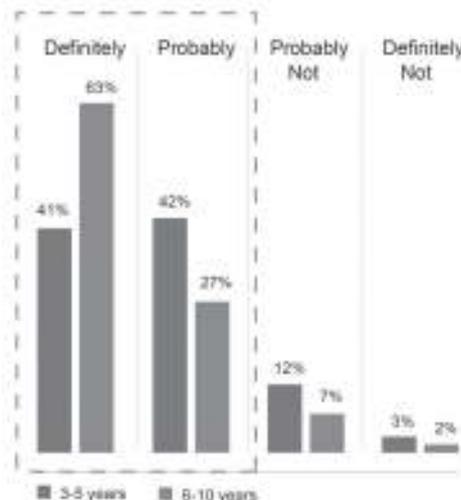
Critical to Future-Ready Workforce

83% of respondents agreed that their jobs will change in the next 3-5 years.

Question:

Do you think technology will change your current job?

Source: Digital Readiness Vietnam Report, 2021 by PwC Vietnam



“As companies fast-track technology development, it’s important to note that employees play a critical role at every stage. While an upgrade or investment in technology can be immediate, equipping the people with the right skills to meet the needs of the future, helping them thrive in the changing conditions of the digital world, requires time and constant effort,” said Ms. Dinh Thi Quynh Van, PwC Vietnam General Director, with respect to Vietnam Digital Readiness report launched by PwC based on its recent public survey among Vietnamese people around technology, jobs and skills, against the backdrop of Covid-19.

The findings from this inaugural report highlight that changes are underway, and fast. With technology, current jobs will not look the same for 83% of surveyed Vietnamese in three to five years, and for 90% of respondents in the medium term (six to ten years).

The perception of such changes is also layered with optimism, where 90% of Vietnamese respondents believe that technological developments will improve their job prospects in the future. This level is much higher than the global sentiment of 60% recorded in PwC’s Global Upskilling Hopes and Fears report, released in 2019.

Mr. Grant Dennis, PwC Vietnam Chairman, said, “Our survey findings reflect the accelerated presence and influence of technology in the workplace and the pace of change that is to come in Vietnam. Going forward, enabling workers and firms to adapt in the new

technological environment and empowering them to achieve outcomes will be key to any organization’s success.”

The significant impact of technology on jobs, however, comes with a sense of uncertainty. We noted that 45% of Vietnamese respondents expressed concerns about job security due to automation. This is not surprising, as the uses of digital technologies are increasingly becoming key solutions across industries. This progress is shaping a future where digital skills are expected to be among the top ten job competencies in the next five years, according to a report by the World Economic Forum in October 2020.

Commenting on this, Ms. Dinh Thi Quynh Van, PwC Vietnam General

Director, said “As companies fast-track technology development, it’s important to note that employees play a critical role at every stage. While an upgrade or investment in technology can be immediate, equipping the people with the right skills to meet the needs of the future, helping them thrive in the changing conditions of the digital world requires time and constant effort.”

Enabling a future-ready workforce

The need for adapting to new skills resonates with the majority of the survey respondents. The report reveals a majority (93%) are already making efforts to reskill and upskill. Technology-related skills are top of mind, with 43% of respondents wanting to become better at learning and adapting to different technologies, and 34% looking to become proficient in a specific technology.

It is encouraging to note that 88% of Vietnamese surveyed said that to different extents, they are provided with opportunities to improve their digital skills at work. This shows that businesses are doing their part to meet the upskilling needs of their workforce. However, the skills mismatch and opportunity gaps are real and widening in an increasingly technology-enabled economy, both globally and locally. According to PwC’s Global CEO survey 2021, 79% of CEOs in the Asia Pacific region expressed concerns about the availability of key skills, compared to 72% globally.

In this regard, while over half of respondents feel the responsibility for upskilling is on themselves, we believe both the government and businesses have important roles in providing people access to inclusive upskilling programs.

“Covid-19 has intensified the stark mismatch of people with the right skills for available jobs. The need to upskill and reskill people so they can participate in the economy is more critical than ever. Business leaders, governments and educational institutions need to work together to upskill our people to meet the workforce needs of the future and drive inclusive, sustainable social and economic growth for Vietnam,” added Ms. Van. ■

B.H

Joining Forces to Improve Investment and Business Environment



Chairman of Provincial People's Committee Bui Van Quang receives representatives of Sojitz Vietnam Company

Carrying out the Resolution of the 19th Provincial Party Congress (2020-2025 term) on “Mobilizing resources for breakthroughs in improving the investment and business environment”, Phu Tho province is concretizing it with programs, plans and solutions. Vietnam Business Forum has an interview with Mr. **Bui Van Quang**, Chairman of Phu Tho Provincial People's Committee, on this topic.

In the 2016-2020 period, in addition to achieving remarkable economic growth, Phu Tho made great efforts for a better investment and business environment. Could you please tell us about this?

In the past five years, with the relentless resolution of the Party, authorities, people and businesses, Phu Tho province has obtained many important achievements: Completing and exceeding 19 out of 20 targets; GRDP growth of 7.86% a year; per capita GRDP of VND52.5 million; export growth of 30.2% a year; and total social investment capital of VND125 trillion in five years. The four breakthrough stages (investment resources for infrastructure development; human resource development; administration reform and tourism development) have achieved remarkable results. The province has mobilized over VND50 trillion for infrastructure investment (an increase of 1.38 times over the 2011-2015 period); and built more than 1,100km of roads. Human resources have strongly developed in both size and quality. Commercial infrastructure and

service infrastructure projects have produced a strong driving force for development.

In the past period, the province has stepped up building e-government, effectively operating the Public Administration Center and the Smart Operation Center. By the end of 2020, as many as 1,810 out of 1,950 administrative procedures were brought to the Public Administration at Category 3, applied to provincial, district and communal levels; 938 procedures were brought online at Category 3 and 529 online public services of Category 4 were made electronic, thus significantly reducing the settlement time. Particularly, administrative procedures for business investment were slashed by 40-60% from regulatory norms. As a result, by 2020, the Vietnam Provincial Governance and Public Administration Performance Index (PAPI) ranked 4 out of 63 provinces in the country.

That progress was highly appreciated by people and businesses. Thus, the Provincial Competitiveness Index (PCI) went up from 35 in 2015 to 26 out of 63 provinces and cities in 2019, entering the well-performing group. Over the past five years, Phu Tho has licensed 700 more direct investment projects with a total registered fund of VND48 trillion (3.6 times more projects and 2.4 times more capital compared to the 2011-2015 period). The province has witnessed 3,600 companies founded, with a combined registered capital of VND21 trillion, bringing total projects to 8,700, ranking second among the Northern Midland and Mountainous Region.

Without a doubt, promoting the improvement of the business and investment environment is a central task of all-tiers of authorities of Phu Tho province in the past years. In 2016-2020, with innovative thinking, consistent direction and carrying-out of solutions, the province witnessed more positive changes. We believe that these results will open up new opportunities and create confidence for businesses and investors in the province.

What are the development goals of the province and what does the improvement of the investment and business environment mean for 2021-2025?

Phu Tho province is located at the western gateway of Hanoi - the capital of Vietnam, a hub for transshipment and economic exchange between Red River Delta provinces and northern mountainous region; a chain in the Kunming - Hai Phong Economic Corridor, near Noi Bai International Airport and Lao Cai International Border Gate. Thus, the province has many advantages to expand development cooperation. In recent years, the strong investment in infrastructure, especially in external transport, has improved its economic geographic position. The province has a vast agricultural and forest land; abundant human resources of high qualifications and skills; historical and cultural values, and intangible cultural heritages, enabling it to boost development as stated by Prime Minister Nguyen Xuan Phuc that Phu Tho has all favorable conditions for development.

Grasping great opportunities, in the 2021-2025 period Phu Tho province will strive to become one of the most developed provinces in the northern midland and mountainous region, expecting to achieve the GRDP growth of over 7.5% a year. By 2025, the industry,



Prime Minister Nguyen Xuan Phuc attends the 19th Phu Tho Provincial Party Committee's Congress

construction and services will account for over 82% of the GDP; the export value will exceed US\$3.8 billion; the total social investment capital will amount to VND190 trillion in five years; and budget revenue will climb to over VND10 trillion in 2025. To successfully realize its objectives, Phu Tho must effectively mobilize and use resources for development which may need 1.5-2 times more funds for the 2015-2020 period. The provincial authority is determined to further enhance the investment and business environment as a breakthrough stage in 2020 - 2025 and sharpen the competitive edge as a central and continuous task.

What are the tasks to improve the investment and business environment in the coming time?

The Resolution of the 19th Phu Tho Provincial Party Congress defined tasks and solutions as follows:

(1) Develop and supplement mechanisms and policies, create an enabling investment climate for business, social and economic development.

Specifically, Phu Tho will focus on building, completing and carrying out the provincial planning for the 2021 - 2030 period, with a vision to 2050; regional and sectoral plans; introducing mechanisms and policies to engage social investment resources and promote local comparative advantages for development; attracting key infrastructure investment projects; cutting-edge projects generating high added value; enticing businesses to invest in industrial zones; supporting manufacturing development and innovation investment.

The province will study building and promulgating mechanisms and policies and establish an innovative center in Viet Tri City; encourage startup businesses to innovate and apply science and technology, grow digital technology enterprises, and develop some new industries.

(2) Strongly improve the investment and business environment, develop economic sectors; mobilize most investment resources for key infrastructure systems, with potential and advantageous industries, fields and localities.

Accordingly, the province will review, renovate and streamline administrative processes with respect to investment, land and construction; remove "bottlenecks" in site clearance to provide ready land for investors; appraise projects to ensure regulatory compliance,

foster socioeconomic performance and protect the environment; increase dialogues and meetings with local businesses; and grasp investor needs to speed up major projects.

Phu Tho will accelerate economic development, ensure a fair climate for all businesses; facilitate centrally-run enterprises to invest and expand manufacturing and business operations; attract giant firms and chain investors; enable private economic development; support small and medium-sized enterprises (SMEs) to invest in technological innovation in priority sectors; stimulate startups and business households to transform into corporate entities so as to have over 11,000 active businesses by 2025.

Besides, the province will mobilize investment resources for key infrastructure, especially industrial zones, tourist sites and important projects to create ripple effects and inter-regional connectivity. While building and carrying out the 5-year medium-term public investment plan (2021-2025), the province will prioritize public investment funds for important programs and projects, encourage enterprises to engage in public-private partnerships (PPP), socialize

healthcare, education, training, culture and sports. Key tasks are to invest in infrastructure facilities for Phu Ha, Trung Ha, Cam Khe, Tam Nong, Ha Hoa and Phu Ninh industrial parks; traffic routes linking the industrial parks and production areas like Vinh Phu Bridge, Au Co Road, Phu Tho - Tuyen Quang Expressway; investing in tourism service development in Viet Tri City center, Thanh Thuy, Ha Hoa and Xuan Son National Park; develop financial, banking, telecommunications, post and information technology services, electrical infrastructure, urban technical infrastructure, commercial centers, and agricultural infrastructure.

The year 2021 has numerous advantages, coupled with a lot of challenges to local development. How will the province support businesses and investors to grasp opportunities and overcome challenges?

2021 is the first year of carrying out the 5-year plan to 2025 in accordance with the Resolution of the Provincial Party Congress where many high and far targets were set, including the dual goal of preventing the Covid-19 pandemic and boosting economic development. Therefore, Phu Tho province hopes that businesses and investors will continue to share their matters of concern, constantly renovate and upgrade technology to enhance business performance and ensure the environment. The provincial government always invites and welcomes investors to seek investment, production and business opportunities and to go alongside local development.

In order to accelerate the disruptive stage of improving the investment and business environment, carrying out the Resolution of the 19th Provincial Party Congress, the Provincial Party Committee and Provincial People's Committee are directing all levels, branches and localities to work out specific programs and plans, define clear objectives, tasks and solutions as well as responsibilities to coordinate actions to achieve the highest results.

The province has also drastically directed departments, branches and localities to implement consistent solutions to accelerate more substantive administrative reforms; change investment promotion approaches to obtain better outcomes; increase meetings and dialogues with businesses and investors to capture their needs, inspire existing investors to recommend the province to potential investors and side with them for mutual development.

Thank you very much!

More Impetus to Attract Investment



Delegates at the conference on promoting Korean investment into Phu Tho province

Along with the participation and synchronous implementation of solutions to improve competitiveness and business environment, Phu Tho province also has made many innovative efforts in promoting and attracting investment, focusing on promotion in the locality to create new impetus for attracting resources for investment and development. This is shared by Mr. **Trinh The Truyen**, Director of the Department of Planning and Investment of Phu Tho province, in an interview with Vietnam Business Forum.

Can you review the province's achievements in investment promotion and attraction during the 2016-2020 period?

In the past period, Phu Tho province has implemented many solutions to promote and attract investment. The provincial government has issued many guiding documents and policies to support increasing the efficiency of investment attraction, typically: Decision 30/2016/QĐ-UBND dated October 20, 2016 on urban land rent reduction and exemption for projects on socialization in the fields of education, health, vocational training, sports and the environment; Decision 09/2017/QĐ-UBND dated April 12, 2017 promulgating a specific mechanism to attract investment in Phu Ha Industrial Park, Phu Tho town, Phu Tho province; Resolution 05/2019/NQ-HĐND dated July 16, 2019 to support and encourage agricultural and rural development in the province; Plan 4362/KH-UBND dated September 24, 2019 implementing Decree 55/2019/NĐ-CP dated June 24, 2019 of

the Government on legal support for small and medium enterprises.

The province has focused on the research and assessment of markets by deploying the coordination with ministries, departments, central branches, domestic and international organizations; thereby approaching potential markets including Korea; Japan; Hong Kong, Singapore and the EU. The province has also worked with investors in Hanoi, Ho Chi Minh City, Da Nang City, Quang Nam province, and large corporations such as Vingroup, Sungroup, T&T, Trung Nam, Truong Hai and FLC to call for investment.

Along with the promotion and introduction of the environment, policies, potential and investment opportunities through many different channels, the province has actively supported enterprises and investors to learn about local laws and policies, procedures, potential and opportunities, as well as assisting investors throughout project implementation.

As a result, more and more investors have come to the province. The number of projects increases in both quantity and scale. In the 2016-2020 period, Phu Tho attracted 526 projects with registered capital of VND19,912 billion. The province currently houses 1,077 valid projects including 902 DDI projects with a total registered capital of VND56,715 billion and 175 FDI projects with a total registered capital of US\$1,508 million.

What is the investment attraction direction of the province in the coming period?

Over the past time, Phu Tho province has been attracting many big corporations and enterprises. This result shows the province's efforts in simplifying administrative procedures, improving competitiveness, creating opportunities for investors to have a favorable, transparent and safe investment environment and business operations.

In the period of 2021-2025, the province will build a synchronous infrastructure system, with a focus on the infrastructure of industrial clusters, transport, urban, service, agriculture and rural areas. Accordingly, the province will give priority to investment in industry, trade, services - tourism, agriculture, education, and health. In particular, the industrial sector will give priority to investment projects in the





infrastructure of industrial parks and clusters; projects on industrial production, mechanical engineering, high-tech manufacturing, manufacturing electronic components, assembling cars, motorcycles, supporting industries, developing clean industries which don't affect the environment. Regarding trade, priority will be given to investment projects in logistics centers in the Northwest region, taking advantage of opportunities from free trade agreements such as EVFTA, CPTPP, to expand new markets. Regarding services - tourism, priority will be given to developing resort tourism services, combined with spiritual tourism, invest in golf courses to increase the added value of routes, tourist attractions, and preserve and promote heritages and historical relics. Regarding agriculture, priority should be given to projects on agro-forestry production, growing fruit trees of high economic value, processing medicinal herbs and beverages on the basis of association with Phu Tho tea brand. Regarding education, the province will prioritize investment projects to build high-quality vocational training schools, high-quality junior high schools and high schools to meet people's needs. In terms of health, the province will attract investment projects to manufacture medical equipment and modern medicines, and build high-quality hospitals to meet medical examination and treatment needs.

The province will create good conditions for domestic investors to expand business investment, and at the same time, strongly mobilize and attract large economic groups with modern financial and technological capabilities, and experience in management. For foreign investors, priority should be given to promoting FDI enterprises operating in Vietnam to attract investment from other enterprises in those countries; focus on attracting projects and partners with financial potential, high technology and clean technology, such as Japan, Korea, Taiwan, Singapore, EU, USA and India.

In terms of project size and quality, the province will give priority to projects with large investment capital, high added value, using modern and environmentally friendly technology to rapidly increase the rate of occupancy in zones and clusters, hi-tech application projects; developing chain-link models in agricultural production; developing infrastructure of industrial parks and clusters; pharmaceutical industry and pharmaceutical production; supporting industry; processing industry; mechanical industry; logistics service projects and tourism and eco-services.

To implement the above direction, what tasks and solutions will you deploy?

In general, in the next period, we will focus on implementing solutions such as continuing to improve the quality and efficiency of planning; focusing on completing the planning of the province by 2030; mobilizing resources for development investment with a focus on the infrastructure of industrial parks and clusters; innovating investment promotion methods in a professional direction, proactively approaching strategic investors and taking advantage of the wave of foreign investment shift to attract investment to processing, manufacturing, and high added value sectors; improving the quality of human resources, focusing on training local human resources and attracting good consultants.

The Provincial Party Committee, People's Council, and People's Committee of Phu Tho province have assigned departments, branches and localities to focus on implementing the following tasks right from the first months of 2021:

Firstly, reviewing and supplementing mechanisms and policies to attract investment, develop production and business, focus on reviewing processes, and shorten the time in settling investment procedures.

Secondly, focusing on compensation and site clearance, clearly defining each step of work, responsibilities of the leaders, and signing commitments with investors on implementation progress. In particular, in implementing key projects, the role of the Working Group in directing and solving the order and procedures will be promoted; and also the role of the Fatherland Front Committee and mass organizations at all levels in propagating and mobilizing members to join hands to perform key tasks of the province.

Thirdly, reviewing and selecting qualified and reputable cadres and civil servants to arrange and assign tasks in stages and fields related to the settlement of administrative procedures, investment procedures, project management, compensation and site clearance.

With innovation in thinking, leadership direction and specific solutions to promote potentials and advantages, mobilizing the participation of the entire political system, the province will manage to improve the business environment which will be the key to open opportunities and create confidence for businesses to develop in the province. In the coming time, Phu Tho province will certainly achieve many important results in attracting investment, contributing to creating an important driving force for the province's socio-economic development in the coming period.

Thank you very much!



The opening ceremony of a trade fair showcasing rural and industrial goods in Phu Tho province



PHU THO INDUSTRY AND TRADE SECTOR

Always in Close Partnership with Businesses

The Department of Industry and Trade of Phu Tho province has always worked closely together with the local business community to boost and accelerate investment and business projects, said Mr. **Nguyen Manh Hung**, Director of the Phu Tho Department of Industry and Trade, in an interview granted to Vietnam Business Forum.

Could you please tell us some outstanding results of industrial, service and commercial development in 2016-2020 in Phu Tho province?

In the 2016-2020 period, the Phu Tho industry and trade sector made efforts to overcome numerous difficulties and challenges to boost production and business activities and achieved positive results. The industry-construction sector expanded by 10.2 % a year and the service sector grew by 7.25%. Industrial production attracted many large-scale investment projects which made an increasingly wide range of products of different types, designs and improved quality. The industrial promotion was implemented effectively. Commercial infrastructure was invested in a professional manner, trade promotion and development programs were accelerated. Domestic trade was constantly developed, with the distribution network being expanded and many modern models launched to better serve consumers. Commercial activity was diversified in sectors and fields, engaged by many economic sectors, to meet increasing market demands. Export value boomed 30.2% a year on average.

However, Phu Tho province still faced certain limitations in industrial development. For example, the technical infrastructure of industrial parks was not synchronous; electrical infrastructure failed to meet development requirements due to slow progress of some transmission and transformer projects; industrial production was not actually sustainably developed, mainly focused on processing and assembling where scientific and technological content and added value was low. Tourism service development did not come up with local advantages and potential. Import and export value increased but failed to meet expectations.

How have you advised the provincial government and carried out solutions to realize the dual goal of effectively preventing the Covid-19 pandemic and developing business?

In response to the directions of the Government, the Ministry of Industry and Trade, the Provincial Party Committee and the Provincial People's Committee of Phu Tho province, we have actively advised and executed measures to deal with adverse impacts of the epidemic on production-business, supply-demand, and commodity prices.

As soon as the Covid-19 pandemic broke out in early 2020, we consulted the local government to work out an action plan in response to impacts of the Covid-19 coronavirus, as well as the plan to ensure supply of goods for local people. We have proposed a plan to stockpile reserve goods for people during the pandemic time in order to actively monitor supply, demand and price changes and guarantee the timely supply of essential goods due to Covid-19 contagion.

We've also advised and carried out solutions, encouraged enterprises to boost business operations to make enough goods of high quality and stable prices for consumers. We've also

promptly prevented acts of smuggling, trade fraud, commodity hoarding, speculation and counterfeits. We've supported the timely supply of essential foods for quarantined people.

Furthermore, we've advised the Provincial People's Committee on plans in response to likely disease outbreaks with worse scenarios; on business support policies to assist local enterprises to live through hardships caused by the pandemic; coordinated with local authorities and enterprises to launch solutions to gradually overcome difficulties and ensure health safety, business efficiency and business development.

Could you please tell us the local potential and approaches to attract investment funds for industry, trade and service in 2021-2025?

In recent years, the province has increasingly developed and completed the local economic and technical infrastructure system. The construction and completion of transport projects have facilitated the locality to attract investors to boost industrial development in the coming time.

To draw more investors, the province has mobilized many resources, prioritized infrastructure investment for industrial parks to provide available land funds for businesses. Expectedly, in 2021-2025, Phu Tho province will develop a plan to integrate provincial planning with industrial park development. Accordingly, the province will have 28 industrial clusters covering 1,500 ha and 11 industrial parks covering 3,985 ha.

Additionally, the province has also introduced many preferential and open mechanisms; and supported investors to quickly, conveniently and effectively implement their projects. All levels and branches of the sector have constantly accelerated administrative reform, publicized information on administrative procedures on websites to facilitate businesses to access and research when they study investment opportunities in the province. That will reveal potential and opportunities to investors, including industry, trade and service

projects.

By selectively attracting and prioritizing capable investors in line with the list of priority projects and fields, Phu Tho province will diversify forms of investment; encouraging large domestic investors to enter into BT, BOT and BTO investment formats to develop synchronous infrastructure which will enable the province to unlock potential and facilitate socio-economic development as a result.

In the coming time, the province will further encourage many industrial manufacturing sectors to diversify product categories, focusing on high-tech and localization, and environmental friendliness. Specifically, priority will be given to industries and industrial products using local materials and serving traditional markets such as tea processing, paper processing, beverage, fertilizer, construction material, textile and garment, footwear, livestock processing and making products with competitive advantages and high added value.

The province will concentrate on developing industrial parks to meet rural industrial production needs. The province will encourage advanced equipment and technology; resolutely prevent the adoption and entry of outdated technologies and energy-consuming technologies. The province will coordinate with surrounding localities to avoid overlapping investment and unnecessary competition to destroy internal development forces of the Northern Midlands and Mountains.

Phu Tho always encourages diversified trade development where State-owned trade plays a key role and the private sector is the core and driving force of development. It ensures fair competition, protects consumer interests and stabilizes the market. The province synchronously develops trade structures, including agency, wholesaling, retailing and franchising to tap local comparative advantages, of which wholesaling is key. In addition, trade development must be associated with tourism and service development, making trade-services a spearhead economic sector that grows faster than GDP.

Thank you very much!



Improving Land Access Index



Along with efforts to promote administrative procedure reform, the Natural Resources and Environment sector of Phu Tho province has advised and implemented many solutions to manage and effectively exploit natural resources and the environment, which contributes to improving the Provincial Competitiveness Index (PCI) of the province, promoting the process of improving the local investment and business environment. Mr. **Nguyen Ba Tho**, Deputy Director of the Department of Natural Resources and Environment of Phu Tho province, discussed this issue with Vietnam Business Forum. **Duy Anh** reports.

Could you share with us about the promotion of administrative procedure reform on land, natural resources and environment in the province over the years?

In recent years, we have focused on building a team of qualified and capable civil servants that can detect and strictly handle negative cases and violations.

We have also ensured our people have a thorough understanding of administrative reform documents, including a focus on reviewing administrative procedures and handling them at the Public Administration Service Center to facilitate people and business activities.

We have also strengthened the application of information technology in the state administrative management and posted administrative procedures related to the land, natural resources and environment on our website.

Especially, when handling administrative procedures in terms of land, natural resources and environment, we always put quality at top.

In addition, we have regularly reviewed, amended and supplemented environmental administrative procedures to synthesize and report to the Provincial People's Committee on amending and supplementing new regulations, and abolishing expired regulations.

Over the past time, how have you advised and implemented solutions to selectively attract investment, save resources, minimize environmental pollution?

We have reviewed and compared projects on the list of the industrial production types with risks of causing environmental pollution and paid special attention to issues of production technology, modern advanced level, and waste treatment technology in accordance with characteristics of project types to advise the Provincial People's Committee to select new investment projects.

In addition to strictly implementing the assessment and exploration licensing, mining licensing, assessment of natural resource reserves and minerals, water resources licensing, we have advised only granting licenses of exploring and exploiting minerals associated with deep mineral processing projects; making the most of and using low-content minerals, waste soil and rock for production materials and common construction materials.

In addition, we have also advised the Provincial People's Committee on a plan to auction mineral mining rights at six river-bed sand mines with a total area of 124 hectares, and at the same time continued to propose strengthening the auction of mineral mining rights in the coming time.

The province's "access to land" index has increased strongly in the past years. How do you evaluate this result?

Improving the index of access to land is an important task to improve the business environment and facilitate business. Therefore, we have advised resolving difficulties and problems of organizations, businesses and people related to land acquisition, allocation, lease, and change of land use purposes; providing planning information, plans of usages,

helping organizations and individuals easily access information on use, ensuring publicity and transparency in the field of land access and stability in land use.

We have also promoted the application of information technology in receiving and processing land registration dossiers and issuing land use right certificates; improving qualifications, reforming the working style of the staff in order to improve service quality for people and businesses.

Along with the proactive review and investigation of each type of land by region to ensure it is close to the actual market price; guiding investors and enterprises to carry out the procedures for handing over and leasing land, we have always actively coordinated to remove problems in site clearance compensation; handled and completely dealt with existing cases in the granting of certificates of land use rights, ownership of houses and land-attached assets.

The appraisal of documents for land allocation, lease, and change of land use purpose is carried out in accordance with the one-door mechanism, interconnected one-door and in accordance with the current Land Law. From 2017 up to now, we have submitted to the Provincial People's Committee to issue 356 decisions on the allocation, lease, and change of land use purposes for organizations to carry out production and business projects on an area of 1,389.88 hectares.

Over the past years, we have also regularly coordinated with the Department of Planning and Investment to assess land use needs, land allocation conditions, and land lease for projects in the province according to the interconnected one-door mechanism to meet the time limit.

In the period of 2021-2025, what solutions will you adopt to further improve scores and rankings on the Access to Land index?

In order to continue to improve and increase the Access to Land index, in the coming time, we will continue to coordinate with relevant agencies to promote linkages and electronic connections in resolving administrative procedures about issuing land use rights certificates, land allocation and lease, land registration certificates.

We will also advise the Provincial People's Committee to publicize the unused land fund, the land that has not been leased in industrial parks or clusters, and projects that have been assigned or leased by the State but are slow to be put into use, facilitating businesses to access land; publicizing the process and procedures for land access; at the same time reviewing projects that have not yet completed procedures, supporting enterprises to accelerate issuing certificates of land use rights.

Besides, the good exploitation of new urban areas and resettlement areas are ensured to serve the resettlement arrangement for projects; we will also well implement the site clearance, resettlement policy, creating the most favorable conditions for investors to implement their projects.

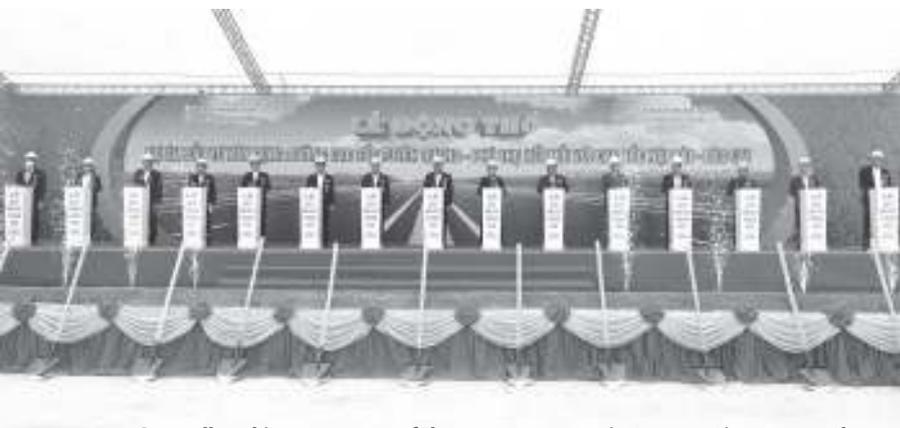
In addition, we will collect statistics and implement land acquisition of projects that are not implemented or delayed in accordance with the law; and have specific solutions for projects with slow implementation due to objective reasons.

Thank you very much!



TRANSPORT INDUSTRY

Driving Force of Economic Development



Groundbreaking ceremony of the expressway project connecting two northern provinces of Tuyen Quang, Phu Tho and Noi Bai-Lao Cai expressway

As a bridge that connects the northern midlands and mountainous region with Hanoi, investing in modern and synchronous transportation infrastructure not only meets local development requirements but also creates an inter-regional development boost. Recognizing this importance, the transport sector of Phu Tho province has advised and carried out many solutions to mobilize and effectively use resources for transport system development to meet public and business needs and generate a driving force to accelerate local socioeconomic development.

Great efforts

In response to Resolution 13-NQ/TU dated July 15, 2016 of the Phu Tho Provincial Party Committee and Resolution 17/NQ-HDND dated July 19, 2016 of the Provincial People's Council, the Provincial People's Committee issued Action Program 3692/CTr-UBND dated August 30, 2016 on mobilizing investment resources for key social and economic infrastructure in 2016 - 2020 in order to specify the Phu Tho transportation development planning in 2011- 2020 and to 2030.

Since 2026, the Department of Transport has coordinated with other provincial departments, agencies and local authorities to complete many important projects like construction of traffic routes linking IC-9, IC-10 and IC-11 intersections on Noi Bai - Lao Cai Expressway to Phu Ha

Industrial Park and improve traffic to Hung Vuong Road leading to Phu Tho Town, National Highway 32C and Cam Khe district; completing 13.1km of National Road 32C bypassing Viet Tri City (from Cho Nu Market to Phong Chau Bridge), 30km of roads connecting from National Highway 32 and Provincial Road 316B to National Highway 70B to Hoa Binh province; Van Lang Bridge and roads connecting with National Highway 2D in Viet Tri City with National Highway 32 in Ba Vi district (Hanoi); Dong Quang Bridge linking Thanh Thuy district with Ba Vi district, and 65 bridges for people living in mountainous and poor communes.

Currently, Phu Tho province is cooperating with Vinh Phuc and Tuyen Quang provinces to invest in building Vinh Phu Bridge over the Lo River to connect Viet Tri City with Song Lo district (Vinh Phuc) and 40.2-km Tuyen Quang - Phu Tho Expressway connecting with Noi Bai-Lao Cai Expressway at IC9 Intersection (Phu Tho Town), National Highway 2, National Highway 2D, National Highway 70, Provincial Road 314B and Provincial Road 315B.

With continuous efforts of the province, the local road system features 62 km of Noi Bai-Lao Cai Expressway with five intersections (IC7, IC8, IC9, IC10 and IC11) linked to national highways, provincial roads and urban roads; 531km of nine national highways; 794km of 54 provincial roads; 12 big bridges (Doan Hung, Kim Xuyen, Hung Lo, Hoang Cuong, Hac Tri, Viet Tri, Ha Hoa, Ngoc Thap, Phong Chau, Dong Quang, Trung Ha and Van Lang), and hundreds of smaller bridges and local roads. These facilities improve connectivity from Viet Tri City to urban areas, rural areas, industrial zones and traffic networks leading to other provinces, cities and major economic regions.



Better connectivity

Over the past five years, Phu Tho province has accelerated urban and rural traffic infrastructure development and expanded types of transportation.

Phu Tho province currently has 556.6 km of urban roads (416.7 km of concreted and asphalted roads), with many synchronous invested roads like Truong Chinh and Nguyen Tat Thanh roads (Viet Tri City) and Hung Vuong Street (Phu Tho Town), and traffic routes passing administrative centers of Thanh Ba, Thanh Son, Yen Lap and other districts. The rural transport network stretches along 10,880 km of roads, including 6,626 km of concrete roads, 234 km of concrete-asphalted roads, 910 km of asphalted roads, 208 km of gravel roads and 2,902 km of dirt roads. The province has 13 long distance bus stations with 161 routes in operation and nine domestic bus routes, and adequate infrastructure to serve the operation of bus routes from the center of the province to the districts, towns.

To operate five inland waterways of 316.5 km in length, including 03 national routes (the Red River, the Lo River and the Da River) and two local routes (the Chay River and the Bua River), since 2017, the Department of Transport has worked with relevant bodies to advise the Provincial People's Committee to ratify the master plan for Phu Tho inland waterway terminals to 2020, with a vision to 2030. At present, seven inland river ports and 41 passenger wharves are working very well.

In recent years, the transport industry has also cooperated with Vietnam Railway Corporation and Lam Thao Fertilizers & Chemicals Joint Stock Company to effectively operate Yen Vien - Lao Cai Railway (75.025 km in length passing through 44 communes, wards and towns of five districts) and a special-use railway from Tien Kien Station (2.9 km) with eight stations on the main rail for good transport service of passengers and freight.

In general, the transport infrastructure of Phu Tho province has been continuously invested and developed to better meet passenger and cargo transportation needs, thus facilitating socioeconomic development and national security.

Missions in new era

In response to Resolution of the 19th Provincial Party Congress (2020-2025 term), the department is cooperating with relevant agencies to study and advise the Provincial People's Committee on a transportation development plan to be integrated into the Phu Tho master plan in 2021-2030 and to 2050.

The transport sector also defined key tasks: Focusing on



building new inter-regional roads, improving and upgrading existing routes to be conveniently connected to Noi Bai-Lao Cai Expressway at five intersections (IC7, IC8, IC9, IC10 and IC11), Ho Chi Minh Road, National Highway 2, National Road 32, National Highway 70B, and major bridges spanning the Red River, the Lo River, and the Da River. Traffic convenience has enabled the province to attract a lot of investment projects into industrial zones like Thuy Van, Phu Ninh, Dong Lang, Phu Ha, Cam Khe, Ha Hoa, Tam Nong and other tourism and service destinations in Thanh Thuy, Ha Hoa, Tan Son, Viet Tri and other areas.

While building Viet Tri City and Phu Tho Town as important transport hubs and completely constructing main axes aligned with its urban planning, Phu Tho province will build and complete the transport infrastructure system in district/town centers and bypass roads for densely populated residential areas. In the near future, it will closely coordinate with Tuyen Quang and Vinh Phuc provinces to speed up investment procedures and site clearances for timely construction of Phu Tho-Tuyen Quang Expressway and Vinh Phuc Bridge.

The province will also facilitate all economic sectors to invest in building newly planned bus stations, upgrade and expand existing bus stations towards modernity and convenience; expand the service coverage of intra-provincial and provincial transport routes; encourage businesses to invest in inland ports. At the same time, the locality will foster the application of new technologies to the administration of passenger and cargo transportation.

In addition, Phu Tho province will coordinate with the railway sector to remove grade crossings in residential areas to ensure safety along Hanoi-Lao Cai Railway; request the Ministry of Transport to propose the Government launch Lao Cai-Hanoi-Hai Phong high-speed railway and relocate existing railways out of the center of Viet Tri City and will encourage the development of railway and waterway transportation to ease loads for roads. ■

Socializing Health Services



Cooperation agreement signed by the Phu Tho Health Department and Vingroup to develop an A.I platform in support of medical image diagnosis

In recent years, Phu Tho province has achieved very good outcomes in public health protection, care and improvement, with most of the targets obtained satisfactorily. The health system at all levels has been strengthened and consolidated. Infectious diseases have been controlled and no pandemic outbreaks have occurred in the province so far. These results come from joint efforts of the health sector, including the private sector.

Carrying out Decree 69/ND-CP dated May 30, 2008 of the Government and directions of the Provincial People's Committee, the Department of Health has coordinated with other sectors and advised to provincial authorities to issue many important health documents like Phu Tho Health System Development Plan to 2015, with a vision to 2020 (approved by the Provincial People's Committee in Decision 3409/QĐ-UBND dated November 24, 2008, revised and supplemented in Decision 3278/QĐ-UBND dated October 18, 2010 and Decision 1502/QĐ-UBND dated June 12, 2012); Resolution 34/2011/NQ-HĐND dated December 12, 2011 of the Provincial People's Committee on socialization policies on education, vocational training, health, culture, sports and environment fields in Phu Tho province.

The health sector has also encouraged medical units to socialize health services by entering into medical equipment joint ventures, borrowing and mobilizing capital investment

sources for medical facilities and equipment. Following the Ordinance on private medical and pharmaceutical practices (later the Law on Disease Examination and Treatment and the Law on Pharmacy), the Phu Tho Health Department has issued certificates of medical and pharmaceutical practices to individuals, clinics and pharmacies to promote local healthcare socialization.

To date, the province is home to 100-bed Hung Vuong private hospital (serving up to 300 beds in practice) and 156 private clinics, including 92 general and specialized clinics, 23 medical services facilities, and 41 traditional medical facilities. In the pharmaceutical sector, Phu Tho has 12 pharmaceutical companies, representative branches of companies based in other provinces, 240 retail drugstores, and 106 private pharmacies. Besides, two military-run clinics (100 beds) are also providing medical services for the people.

Phu Tho province-based health units are self-controlling staffing and financial aspects. The Provincial People's Committee has issued policies to attract high human resources, enabling the health sector to apply to entice highly qualified personnel, achieving optimistic results. Every year, the sector employs 60-100 doctors, sends 12-16 doctors to foreign specialized training, and sends many to study in Hanoi, Ho Chi Minh City and abroad to adopt new diagnostic and treatment technologies.

Medical equipment development has expanded. General and specialized hospitals have stepped up cooperation with individuals and organizations and mobilized socialized capital for health development since 2010. Initially, socialization in hospitals has produced effective outcomes. In particular, a lot of modern equipment and machinery has been invested in, including automatic biochemical testing systems, multi-array CT scanners; magnetic resonance imaging systems - MRI; radiotherapeutic systems; 3D-4D ultrasound machines; laparoscopic surgery systems for urinary, obstetrics and gynecological diseases, knee joints; ultra-dialysis machines. Hospitals have invested in building modern sterile operating rooms. With the socialized funding, medical facilities successfully upgraded and developed medical examination and treatment services for people, such as modern, spacious, high-quality medical examination and treatment areas, modern surgery departments, modern emergency and recovery departments and inpatient treatment facilities. This progress has helped reduce the gap of medical service quality between Phu Tho province and other localities, and especially with central facilities.

Carrying out health socialization policies, the Health Department has closely worked with the Phu Tho Social Security Agency to manage and use the health insurance fund, improve health service quality, reform administrative procedures, administer medical facilities using information technology to enhance transparency in payment and quality assessment. Therefore, over the past years, benefits of health insurance policyholders have been ensured and provided access to better health services. ■



By the end of 2020, four IPs had been invested with technical infrastructure and put into operation. Specifically:

Thuy Van IP: the infrastructure system completed (with the budget of VND257.8 billion); the centralized wastewater treatment system with a capacity of 5,000m³/day and night (ODA capital of Euro 4,934,573); 310.7 ha recovered after ground clearance and 254/265 ha for lease (the occupancy rate at 95.8%). The number of valid projects as of December 2020 included 36 FDI projects with registered capital of US\$611 million and 67 DDI projects with a capital of VND10,147 billion.

Trung Ha IP: Completed infrastructure system of 81.0 ha (budget of VND75.52 billion); 81.0 ha recovered after ground clearance and 53.21/53.0 ha for lease (occupancy rate 100%). The number of valid

projects as of December 2020 included 13 DDI projects with the capital of VND2,333 billion.

Phu Ha IP: Currently, the southern subdivision has been basically completed with an area of 119 ha, with the implemented capital of VND280.0 billion; the wastewater treatment plant was built and put into operation (phase I, with capacity 1,250 m³/day and night, with capital of VND18.0 billion) and started construction of housing for workers (with a capital VND400 billion). The investor compensated for site clearance to recover 189 ha; invested in infrastructure construction of 119 ha and 71.57/75.0 ha for lease (at 95%). The number of valid projects as of December 2020 included 23 FDI projects with the registered capital of US\$285.46 million.

Cam Khe IP is approved by the Provincial People's Committee to plan the construction zone of 450 ha, with a total investment of VND2,477 billion, invested by the joint venture of Ao Vua Company and Duc Anh Company, compensated for site clearance and invested



Opening Doors to Welcome Investors

With available grounds, completed infrastructure, attractive incentives and enthusiastic support, industrial parks (IPs) of Phu Tho province are now ready to accommodate investors, said Mr. **Nguyen Ngoc Hanh**, Director of Phu Tho IPs Authority with Vietnam Business Forum.

How do you evaluate the performance of Phu Tho IPs in the current period?

Phu Tho province currently houses seven IPs covering a total area of 2,256 hectares, widely distributed across the province.

No.	IP	Location	Approved area (ha)	Approved planned subdivision (ha)	Notes
1	Thuy Van	Thuy Van, Van Phu, Thanh Dinh Communes (Viet Tri City)	306	335	Invested in construction
2	Trung Ha	Dan Quyen Commune (Tam Nong District) and Xuan Loc Commune (Thanh Thuy District)	200	200	80.1 ha invested in construction
3	Phu Ha	Phu Loc, Ha Loc Communes (Phu Tho Town)	450	350.9	119 ha invested in construction
4	Cam Khe	Cam Khe Town (Cam Khe District)	450	450	70 ha invested in construction
5	Tam Nong	Lam Son, Van Son Communes (Tam Nong District)	350	350	Creating documents for investment policy
6	Ha Hoa	Xuan Ang, Vo Tranh Communes (Ha Hoa District)	400	400	Creating documents for investment policy
7	Phu Ninh	Vinh Phu Commune (Phu Ninh District)	100	80.1	80.1 ha approved for planned subdivision



In addition, we also support businesses that have difficulty in finding new investment opportunities or transferring projects to investors in order to minimize damage to businesses.

Over the past years, we have always cooperated closely with investors in infrastructure business in IPs and clusters to inspect and supervise basic construction investment activities, fire prevention and control, environmental

in technical infrastructure construction, there have been some investors subleasing land. Currently, it has cleared the ground and recovered 135.0 ha, and has been leveling 70 ha.

How do you evaluate the performance of enterprises in the IPs and their contribution to local socio-economic development?

From 2005-2020, the number of enterprises in Phu Tho IPs increased from 4 to 167 enterprises and there have been more and more large-scale investment projects. Although the number is modest (2% of the province's enterprises) but it has created a great industrial value, reaching about VND43,500 billion in 2020 (68 times compared to 2005) and contributing about VND1,000 billion to the budget in 2020, accounting for 13.5% of the provincial budget revenue (reaching VND1,600 billion in 2019, accounting for 29% of the provincial budget).

The enterprises have contributed to promoting economic growth and created 45,000 more jobs with income from VND6.5 to 6.8 million/person/month. The development of IPs has created momentum for an increasingly complete economic - technical infrastructure system, especially the arterial traffic system, electricity network, information, telecommunications and economic sectors increasingly become dynamic.

In recent years, what solutions have you taken to address the difficulties of businesses and promote production - business activities?

We have regularly updated information, clearly instructed investment, construction procedures, incentive policies, legal documents and information on our website and they are also publicly listed at our office.

With the motto of proactively accompanying enterprises, we have always followed the guidelines and policies of the Central government and the provincial government to support and solve problems in implementing administrative procedures, consulting policies and laws on investment, construction, environment, labor for investors. We also regularly keep in contact with enterprises, annually organize a conference to summarize activities with inviting departments, sectors and People's Committees of districts, towns and cities to grasp and solve problems in manufacturing and business activities; at the same time we act as a bridge for businesses in the IPs to meet, connect for trade and take advantage of raw materials or product consumption. In

protection, policies for employees to detect construction works not in accordance with planning, without licenses to build or illegally built, and to promptly rectify or report to competent authorities for handling.

In particular, during the difficult period due to the impact of the Covid-19 pandemic, we have coordinated with relevant departments and sectors to instruct enterprises to suspend the payment of trade union fees; delay tax payment and land rental according to Resolution 41/NQ-CP; synthesized and submitted to the Provincial People's Committee the reception of more than 100 foreign experts to support enterprises in installing machinery and equipment and operating production and business activities.

How are you preparing conditions to embrace global integration and shifting?

Compared with some neighboring provinces in the Northern Midland Delta, the number of IPs in Phu Tho province is limited and not worthy of its potential. To prepare conditions for global investment integration and shifting; along with the preparation of infrastructure, clean premises to prepare for a new investment wave from Europe, America especially investment flows from China with satellite enterprises having high technology content and high competitiveness in the international market, we have proposed the Provincial People's Committee four areas to plan new IPs, including Dong Luong, expanded Ha Hoa, Thanh Ba, and Vo Mieu.

On the other hand, complying with the Politburo's Resolution 50-NQ/TU dated August 20, 2019 on the orientation to perfect institutions, policies, and improve the quality and efficiency of foreign investment cooperation by 2030, and resolutions, directives and orientations to attract investment of the Central government and the province, we have proposed orientations for investment attraction in the coming time: Actively attracting and cooperating in selective foreign investments, with quality, efficiency, technology and environmental protection as the main evaluation criteria. We will prioritize projects with advanced technology, new technology, high technology, clean technology, modern governance, high added value and spillover effects, connecting the entire global production and supply chain.

Thank you very much!

No.	IP	Location	Area (ha)
1	Dong Luong	Dong Luong Commune (Cam Khe District)	500
2	expanded Ha Hoa	Vo Tranh Commune (Ha Hoa District)	300
3	Thanh Ba	Thai Ninh, Dai An, Dong Linh Communes (Thanh Ba District)	400
4	Vo Mieu	Vo Mieu Commune (Thanh Son District)	350
	Total		1,250

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